



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Erin Julia Katelin Tilley

Heard: March 8, 2017, in Halifax, Nova Scotia

Reasons for Decision: May 17, 2017

REASONS FOR DECISION

Hearing Panel of the Atlantic Regional Council:

George W. MacDonald, QC

Chair

Ann C. Etter

Industry Representative

Darrell Bing

Industry Representative

Appearances:

Paul Blasiak

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Counsel for the Mutual Fund Dealers
Association of Canada

Joseph Burke,
Cox & Palmer

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Counsel for the Respondent

1. As a result of a settlement agreement dated December 14, 2016 (the “Settlement Agreement”) between the Mutual Fund Dealers Association of Canada (the “MFDA”) and Erin Julia Katelin Tilley (the “Respondent”), a copy of which is available on the MFDA website and is not set out in detail here, a Settlement Hearing was conducted on March 8, 2017 in Halifax, Nova Scotia. The Hearing Panel heard oral submissions from Staff of the MFDA, and received written submissions on behalf of MFDA dated March 2, 2017. Respondent’s Counsel addressed the Panel and advised that the Respondent agreed with the submissions of MFDA and the proposed penalty.

2. The violations of the By-laws, Rules, or Policies of MFDA alleged by MFDA and admitted by the Respondent are set out in the Settlement Agreement as follows:

- a) between February 2015 and July 2015, the Respondent obtained and possessed 3 pre-signed account forms in respect of 3 clients, contrary to MFDA Rule 2.1.1.; and
- b) in April 2015, the Respondent misled the Member on its annual compliance certification when she indicated to the Member that she did not obtain or possess any pre-signed account forms, contrary to MFDA Rule 2.1.1.

3. MFDA Staff and the Respondent agreed to the following Terms of Settlement:

- a) the Respondent shall pay a fine in the amount of \$5,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- b) the Respondent shall pay costs in the amount of \$2,500 pursuant to s. 24.2 of MFDA By-law No. 1, payable immediately upon acceptance of the Settlement Agreement by the Hearing Panel;
- c) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
- d) the Respondent will attend in person, on the date set for the Settlement Hearing.

4. The following salient facts are agreed to by MFDA Staff and the Respondent:
- a) The Respondent has been registered in Nova Scotia as a Dealing Representative with Investors Group Financial Services Inc. (“Investors Group”), a Member of the MFDA;
 - b) At all material times, the Respondent conducted business in the Halifax, Nova Scotia area;
 - c) Investors Group detected the conduct that is the subject of the Settlement Agreement during a Compliance Review carried out at the Respondent’s Branch Office;
 - d) Investors Group reviewed all of the Respondent’s client files and did not detect any other pre-signed forms beyond those referred to above;
 - e) In December, 2015, Investors Group issued a warning letter to the Respondent regarding the objectionable conduct described above. Investors Group also required the Respondent to pay a fine in the amount of \$2,000;
 - f) The Respondent did not receive any financial benefit from engaging in the misconduct described above; and
 - g) The Respondent has not previously been the subject of MFDA disciplinary proceedings.

Acceptance of Settlement Agreement

5. A Panel can either accept or reject a Settlement Agreement. It cannot modify it.
6. We found that the proposed penalty was reasonable and proportionate in the circumstances of this case. It provides specific deterrence to the Respondent and general deterrence to others in the industry.
7. Further, by entering into a Settlement Agreement the Respondent has accepted responsibility for her misconduct, recognizes its seriousness, and has exhibited remorse.

8. The penalty imposed is not out of line with recent cases cited by counsel and is consistent with the MFDA Penalty Guidelines. At the Settlement Hearing Staff presented a proposed Order. The Panel was advised that the Respondent has deposited with MFDA the sum of \$7,500, representing the amount of the fine and costs agreed to be paid by the Respondent if the Settlement Agreement is accepted by the Panel.

9. Hearing Panels should not interfere lightly in negotiated settlements and should not reject a Settlement Agreement unless it considers the proposed penalty clearly falls outside a reasonable range. The penalty agreed to in this case does fall within a reasonable range.

10. For the above reasons we accepted the Settlement Agreement dated December 14, 2016, as amended by the terms of the Order and the Order was signed by the members of the Panel.

DATED this 17th day of May, 2017.

“George W. MacDonald”

George W. MacDonald, QC
Chair

“Ann C. Etter”

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Industry Representative

“Darrell Bing”

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Industry Representative