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: Randal Rae Wilson

Heard: July 22, 2019 in Vancouver, British Columbia
Decision: July 22, 2019
Reasons for Decision: January 3, 2020

# REASONS FOR DECISION

Hearing Panel of the Pacific Regional Council:

| | |
|---|---|
| Stephen D. Gill | Chair |
| Nova Aitchison | Industry Representative |
| Darryl Gossen | Industry Representative |

Appearances:

| | | |
|---|---|---|
| Christopher Corsetti | ) | Enforcement Counsel for the Mutual Fund Dealers Association of Canada |
| Maureen Doherty | ) | Counsel for the Respondent |
| Randal Rae Wilson | ) | Respondent, by teleconference |

**Introduction**

1. By a Settlement Agreement dated April 3, 2019 ("Settlement Agreement") Staff of the Mutual Fund Dealers Association of Canada ("Staff") and Randal Rae Wilson ("Respondent") agreed to the settlement of this matter by way of a signed agreement. In the Settlement Agreement, the Respondent admitted to the following violations of the bylaws, rules or policies of the MFDA:

   a) between January 2014 and April 2017, the Respondent altered and used to process transactions, 13 account forms in respect of 12 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and
   b) between June 2012 and August 2017, the Respondent obtained, possessed, and used to process transactions, seven pre-signed account forms in respect of five clients, contrary to the Member's Policies and Procedures in MFDA Rule 2.1.1.

2. The Respondent agrees, as a term of the Settlement Agreement, to the following penalty:

   a) the Respondent shall pay a fine of $11,000.00 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1 (b) of MFDA By-law No. 1; and
   b) the Respondent shall pay costs in the amount of $2,500.00 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-law No. 1.

3. Staff submits the settlement advances the public interest as it is reasonable and proportionate having regard to the nature and extent of the Respondent's misconduct, and all of the circumstances. We agree. A copy of the Settlement Agreement is attached as Appendix "A" to these reasons.

4. It is accepted that pursuant to section 24.4.3 of MFDA By-law No. 1, a Hearing Panel has only two options with respect to a settlement agreement referred to it on the recommendation of Staff. The Hearing Panel may either accept the settlement agreement or reject it.

5. The role of a Hearing Panel at a settlement hearing is fundamentally different than its role at a contested hearing. We adopt the Reasons of the panel as stated in (re) *Sterling Mutual Funds Inc.,* MFDA file no. 200820, dated September 3, 2008, as follows:

> "We subscribe to the views expressed by past hearing panels that, in general, Settlement Agreements should be accepted, bearing in mind, the following criteria:
>
> 1. That it is in the public interest to do so and that the penalty proposed will be sufficient to protect investors;
> 2. That the agreement is reasonable and proportionate, having regard to the conduct of the Respondent;
> 3. That the agreement addresses the issues of both specific and general deterrence;
> 4. That the agreement is likely to prevent the type of conduct set out in the facts;
> 5. That the agreement will foster confidence in the integrity of the Canadian Markets;
> 6. That the agreement will foster confidence in the integrity of the MFDA: and
> 7. That the agreement will foster confidence in the regulatory process itself."
>
> (See, for instance, *In Re Leer*, [2007] MFDA Pacific Regional Council, File 200710, *In Re Zollo,* [2007] MFDA Ontario Regional Council, File 200610, and *In Re Investors Group Financial Services*, [2005] MFDA Ontario Regional Council, File 200401.)

6. We also note that while in a contested hearing the Panel attempts to determine the correct penalty, in a Settlement Hearing the Panel "will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the Settlement process and the fact that the parties have agreed. It will not reject a Settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness."

> (*In Re Milewski*, [1999] I.D.A.C.D. No. 17 at page 11.)

7. We agree with the submission of Staff of the MFDA that the principle that a Hearing Panel will not reject a Settlement Agreement unless the proposed penalty clearly falls outside the reasonable range for appropriateness, assists the MFDA to fulfill its regulatory objective of protecting the public. Settlements advance the regulatory objective by proscribing activities that are harmful to the public, while enabling the parties to reach a flexible remedy tailored to address the interests of both the regulator and respondent.

8. In *Siefert* the Court cites the following from R. v. 974649 Ontario Inc., 2001 S.C.C. 81 (CanLII), (2001) 3 S.C.R. 575, in its analysis at para 31:

> [49] Settlements assist the Commission to ensure that its overriding objective, the protection of the public, is met. Settlements proscribe activities that are harmful to the public. In doing so, they are effective in accomplishing the purposes of the statute. They provide means of reaching a flexible remedy that is tailored to address the interests of both the Commission and the person under investigation. Enforcement is rarely a concern because the settlement is voluntary. A person which is the subject of an investigation retains the option of refusing to settle and proceeding to a hearing. Settlements are also efficient. Both parties can forego the time and expense of a hearing. Or, they can settle some matters, and direct their resources to the matters that are in dispute, and therefore to be resolved by way of a hearing.
>
> *British Columbia Securities Commission v. Seifert*, 2007 BCCA 484 at para. 31 & 49.

9. In our view it is settled that the primary goal of securities regulation, in the context of a Settlement Hearing or a contested hearing, is protection of the investor: *Pezim v. British Columbia (Superintendent of Brokers)* (1994) 2 S.C.R. 55 7 (SCC) at paras 59, 68; *Re Breckenridge*, MFDA file number 200718, dated November 14, 2007 at paras. 74.

10. In addition to protection of the investor, the goals of securities regulation include fostering public confidence in the capital markets and the securities industry. *Pezim v. British Columbia (Superintendent of Brokers)* Supra at paras 59, 68.

11. Sanctions should be preventative, protective and prospective in nature. In exercising its discretion to impose a penalty, the Hearing Panel should take into account the following considerations:

a) The protection of the investing public;
b) The integrity of the securities market;
c) Specific and general deterrence;
d) The protection of the MFDA membership; and
e) The protection of the integrity of the MFDA's enforcement processes.

*(Re Breckenridge*, MFDA file number 200718, dated November 14, 2007 at page 21, para 10)

12. We adopt the following from the reasons of the panel in *Re Breckenridge* Supra:

"Previous Hearing Panels have set out a number of additional factors which should be considered when determining an appropriate penalty. These include:

a) The seriousness of the allegations proved against the Respondent;
b) The Respondent's experience in the capital markets;
c) The level of the Respondent's activity in the capital markets;
d) The harm suffered by investors as a result of the Respondent's activities;
e) The benefits received by the Respondent as a result of the improper activity;
f) The risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;
g) The damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;
h) The need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity;
i) The need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets; and
j) Previous decisions made in similar circumstances."

(*Re Breckenridge* Supra, page 21, para. 10 )

13. Further, MFDA Hearing Panels have taken into account the following considerations when determining whether a purposed settlement should be accepted:

a) whether acceptance of the Settlement Agreement would be in the public interest and whether the penalty imposed would protect investors;
b) whether a proposed Settlement Agreement is reasonable and proportionate, having regard to the conduct to the respondent as set out in the Settlement Agreement;
c) whether the Settlement Agreement addresses the issues of both specific and general deterrence;
d) whether the proposed settlement will prevent the type of conduct described in the Settlement Agreement from occurring again in the future;
e) whether the Settlement Agreement will foster confidence in the integrity of the Canadian Capital Markets;
f) whether the Settlement Agreement will foster confidence in the integrity of the MFDA; and
g) whether the Settlement Agreement will foster confidence in the regulatory process itself.

(*Re) Jacobson*, 2007 MFDA 27, at page 9.

14. It is accepted that a Hearing Panel should not interfere lightly in a negotiated settlement as long as the penalties agreed upon are within a reasonable range of appropriateness having regard to the conduct of the Respondent.

(*Re) Jacobson*, Supra at page 10.

15. It is clear that Hearing Panels have held that falsifying forms is a contravention of the standard of conduct set out in MFDA Rule 2.1.1: *Re Ewart*, MFDA File no. 201528, September 11, 2015. MFDA Rule 2.1.1 prescribes the standard of conduct applicable to registrants in the mutual fund industry. The Rule requires that each Member and Approved Person: deal fairly, honestly and in good faith with clients; observe high standards of ethics and conduct in the transaction of the business; and refrain from engaging in any business or practice which is unbecoming or detrimental to the public interest.

16. "Pre-signed account forms" is a generic term which applies to a variety of situations where an Approved Person seeks to rely on a client's signature on a document when the signature was not provided by the client at the time the document was completed. Commonly, an Approved Person obtains a client signature on a partially or completely blank account form, such as an order entry or Know Your Client form, completes the form, then uses the form to process transactions in the client's account.

17. Staff submitted, and we agree, that pre-signed forms may have serious consequences as it can:

a) adversely affect the integrity and reliability of documents;
b) destroy the audit trail;
c) impact the ability of Approved Persons to produce valid documentation to support transactions that come into question;
d) mislead Member supervisory personnel;
e) negatively affect the creditability of the Approved Person;
f) negatively affect Member complaint handling; and
g) facilitate other misconduct such as unauthorized trading, fraud and misappropriation of funds.

MFDA Notice # MSN-0066 dated October 31, 2007 (updated March 4, 2013 and January 26, 2017).

18. The MFDA has been warning Approved Persons against the use of pre-signed account forms for a number of years.

MFDA Staff Notice MSN-0035 dated December 20, 2004;

MFDA Notice MSN-0066 dated October 31, 2007 (updated March 4, 2013 and January 26, 2017);

MFDA Bullet # 00661-E dated October 2, 2015.

19. The Prohibition on these pre-signed account forms applies regardless of whether the client was aware or authorized the use of the pre-signed forms; the forms were actually used by the Approved Person for discretionary trading or improper purposes.

MFDA Notice # MSN-0066 dated October 31, 2007 (updated March 4, 2013 and January 26, 2017).

20. It is accepted that MFDA Rule 2.1.1 sets the standard of conduct to be followed by all Approved Persons. The Rule is designed to protect the public interest by requiring Approved Persons to adhere to a high standard of ethical conduct. The Rule has been interpreted and applied in a purposive manner in a wide range of circumstances. As stated by the MFDA Hearing Panel in *Re Breckenridge: "*the Rule articulates the most fundamental obligations of all registrants in the securities industry."

*Re Breckenridge* Supra, para. 71;

*Re Price*, MFDA File no. 200814, April 18, 20011, para. 118 to 121.

21. In respect of the present case, Staff submitted, and we agree, that there are a number of factors that bear upon the Settlement Agreement:

a) The nature of the misconduct;

b) The use of pre-signed account forms is a serious breach of MFDA Rule 2.1.1, especially considering the number of warnings to the industry to eliminate the practice for a number of years. MDFA Staff Notice # MSN-0035 dated December 20, 2004; MFDA Notice # MSN-0066 dated October 31, 2007; MFDA Bulletin # 00661-E dated October 2, 2015.

22. Client harm is relevant, but there is no evidence that clients suffered financial losses. (Settlement Agreement para. 19).

23. With respect to benefits received by the Respondent, there is no evidence that the Respondent received any financial benefit from engaging in the misconduct in issue at this proceeding other than the commissions and fees he would ordinarily be entitled to receive had the transactions been carried out in the proper manner (Settlement Agreement para. 18).

24. With respect to the Respondent's experience, he has been registered in the mutual fund industry since 2001. He is an experienced Dealing Representative and ought to have known and respected his Members' and the MFDA's compliance requirements.

25. With respect to past conduct, the Respondent has not previously been subject to MFDA disciplinary proceedings (Settlement Agreement para. 20).

26. With respect to deterrence, we agree with Staff's Submission that a fine of $11,000.00 in combination with costs of $2,500.00 helps MFDA Staff send a message to the Respondent, and others in the Capital Markets with regard to the seriousness of the misconduct at issue.

27. With respect to the Respondent's recognition of the seriousness of the misconduct, by entering into the Settlement Agreement the Respondent has accepted responsibility for his misconduct, and avoided the necessity of the MFDA incurring the time and expense in conducting a full disciplinary hearing. We note the Respondent also cooperated with the investigation into his conduct.

28. With respect to previous decisions in similar circumstances, Staff submits, and we agree, the proposed resolution is within the reasonable range for appropriateness with regard to other decisions made by MFDA Hearing Panels in similar circumstances. In *Re Mark Simard*; file # 201712, decision March 9, 2008, the Respondent altered several forms for five clients; and 21 PSF for 15 clients. Penalty: $11,000.00 fine; and $2,500.00 costs.

29. *Re Bernard Ho*; file # 201862 decision, September 27, 2018; the Respondent admitted 19 altered forms for 17 clients; and 2 PSF for 1 client. Penalty: $11,500.00 fine; and $2,500.00 costs.

30. *Re James Brewes Scholes*; file # 201882 October 2, 2018; the Respondent admitted 23 PSF for 16 clients; and 10 altered forms for nine clients. Penalty: $11,000.00 fine; and $2,500.00 costs.

31. With respect to costs, we agree with the Submissions of Staff that the award of costs against the Respondent in the amount of $2,500.00 is appropriate in the circumstances.

32. Having thoroughly reviewed the facts and admissions set forth in the Settlement Agreement, and having considered the Submissions and authorities referred to us, this Panel concludes that the penalty proposed in this Settlement Agreement is reasonable and proportionate, and will deter the Respondent, and other Approved Persons, from engaging in similar conduct. Further, the acceptance of the Settlement Agreement will advance the public interest, and the objective of the MFDA to enhance investor protection, and ensure high standards of conduct by Members and Approved Persons in the mutual fund industry.

33. For the foregoing reasons this Panel accepted the Settlement Agreement between the Staff of the MFDA and the Respondent, Randal Rae Wilson dated April 3, 2019.

**DATED** this 3rd day of January, 2020.

"Stephen D. Gill"
Stephen D. Gill
Chair

"Nova Aitchison"
Nova Aitchison
Industry Representative

"Darryl Gossen"
Darryl Gossen
Industry Representative

**Appendix "A"**

**Settlement Agreement**

**File No. 201929**

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: Randal Rae Wilson

# SETTLEMENT AGREEMENT

## I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Randal Rae Wilson (the "Respondent"), consent and agree to settlement of this matter by way of this agreement (the "Settlement Agreement").

2. Staff conducted an investigation of the Respondent's activities which disclosed activity for which the Respondent could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No. 1.

## II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

4. The Respondent admits to the following violations of the By-laws, Rules or Policies of the Mutual Fund Dealers Association of Canada ("MFDA"):

a) between January 2014 and April 2017, the Respondent altered, and used to process transactions, 13 account forms in respect of 12 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and

b) between June 2012 and August 2017, the Respondent obtained, possessed, and used to process transactions, 7 pre-signed account forms in respect of 5 clients, contrary to the Member's policies and procedures and MFDA Rule 2.1.1.

5. Staff and the Respondent agree and consent to the following terms of settlement:

a) the Respondent shall pay a fine of $11,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Section 24.1.1(b) of MFDA Bylaw No. 1 (Fine);

b) the Respondent shall pay costs in the amount of $2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of Bylaw No. 1 (Cost);

c) the payment by the Respondent of the Fine and Costs shall be made to and received by MFDA Staff in certified funds as follows:

   i. $2,500 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;

   ii. $2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;

   iii. $2,125 (Fine) on or before the last business day of the first month following the date of Settlement Agreement;

   iv. $2,125 (Fine) on or before the last business day of the second month following the date of Settlement Agreement;

   v. $2,125 (Fine) on or before the last business day of the third month following the date of Settlement Agreement;

   vi. $2,125 (Fine) on or before the last business day of the fourth month following the date of Settlement Agreement;

d) the Respondent shall in the future comply with MFDA Rule 2.1.1; and

e) the Respondent will attend in person on the date set for the Settlement Hearing.

6. Staff and the Respondent agree to the settlement on the basis of the facts set out in Part III herein and consent to the making of an Order in the form attached as Schedule "A".

## III. AGREED FACTS

### Registration History

7. Since January 30, 2001, the Respondent has been registered in British Columbia as a mutual fund salesperson (now known as a Dealing Representative) with Sun Life Financial Services (Canada) Inc. (the "Member"), a member of the MFDA

8. At all material times, the Respondent conducted business in the Vernon, British Columbia area.

### Altered Forms

9. Between January 2014 and April 2017, the Respondent altered, and used to process transactions, 13 account forms in respect of 12 clients by altering information on the account forms without having the client initial the alterations.

10. The altered account forms consisted of know-your-client forms, pre-authorized contribution agreements and registered transfer forms.

### Pre-Signed Forms

11. At all material times, Sun Life's policies and procedures prohibited its Approved Persons from using pre-signed account forms.

12. Between June 2012 and August 2017, the Respondent obtained, possessed, and used to process transactions, 7 pre-signed account forms in respect of 5 clients.

13. The pre-signed account forms consisted of know-your-client forms, pre-authorized contribution agreements and registered transfer forms.

**The Member's Response**

14. On October 20, 2017, the Member's compliance staff identified the altered and pre-signed forms that are the subject of this Settlement Agreement as a result of a routine branch audit.

15. On November 7, 2017, the Respondent was placed on close supervision for a period of 6 months.

16. On February 8, 2018, the Member issued a warning letter to the Respondent.

17. As part of its investigation, the Member conducted a review of all of the client files serviced by the Respondent, and sent letters to all of the Respondent's clients to determine whether the Respondent had engaged in any unauthorized trading. No clients reported any concerns.

**Additional Factors**

18. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above other than the commissions or fees he would ordinarily be entitled to had the transactions been completed in the proper manner.

19. There is no evidence of client loss or lack of authorization.

20. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

21. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing on the allegations.

## IV. ADDITIONAL TERMS OF SETTLEMENT

22. This settlement is agreed upon in accordance with section 24.4 of MFDA By-law No. 1 and Rules 14 and 15 of the MFDA Rules of Procedure.

23. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (the "Settlement Hearing"). At, or following the conclusion of, the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. MFDA Settlement Hearings are typically held in the absence of the public pursuant to section 20.5 of

MFDA By-law No. 1 and Rule 15.2(2) of the MFDA Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.mfda.ca.

24. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence, upon the effective date of the Settlement Agreement.

25. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

a) the Settlement Agreement will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter;
b) the Respondent waives any rights to a full hearing, a review hearing before the Board of Directors of the MFDA or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction;
c) Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts and contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any facts and contraventions that are not set out in this Settlement Agreement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations;
d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with s. 24.5 of By-law No. 1; and
e) neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement. Nothing in this section is intended to restrict the

Respondent from making full answer and defence to any civil or other proceedings against the Respondent.

26. If, for any reason, this Settlement Agreement is not accepted by the Hearing Panel, each of Staff and the Respondent will be entitled to any available proceedings, remedies and challenges, including proceeding to a disciplinary hearing pursuant to sections 20 and 24 of By-law No. 1, unaffected by the Settlement Agreement or the settlement negotiations.

27. Staff and the Respondent agree that the terms of the Settlement Agreement, including the attached Schedule "A", will be released to the public only if and when the Settlement Agreement is accepted by the Hearing Panel.

28. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile copy of any signature shall be effective as an original signature.

**DATED** this 3rd day of April, 2019.

"Randal Rae Wilson"
Randal Rae Wilson

"AC"
Witness – Signature

AC
Witness – Print Name

"Shaun Devlin"
Shaun Devlin
Staff of the MFDA
Per: Shaun Devlin
Senior Vice-President,
Member Regulation – Enforcement

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: Randal Rae Wilson

# ORDER

**WHEREAS** on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Randal Rae Wilson (the "Respondent");

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (the "Settlement Agreement"), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to ss. 20 and 24.1 of By-law No. 1;

**AND WHEREAS** the Hearing Panel is of the opinion that,

a) between January 2014 and April 2017, the Respondent altered, and used to process transactions, 13 account forms in respect of 12 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and

b) between June 2012 and August 2017, the Respondent obtained, possessed, and used to process transactions, 7 pre-signed account forms in respect of 5 clients, contrary to the Member's policies and procedures and MFDA Rule 2.1.1.

**IT IS HEREBY ORDERED THAT** the Settlement Agreement is accepted, as a consequence of which:

1. The Respondent shall pay a fine of $11,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Section 24.1.1(b) of MFDA Bylaw No. 1 ("Fine");

2. The Respondent shall pay costs in the amount of $2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of Bylaw No. 1 ("Cost");

3. The payment by the Respondent of the Fine and Costs shall be made to and received by MFDA Staff in certified funds as follows:

i) $2,500 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;
ii) $2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
iii) $2,125 (Fine) on or before [insert date];
iv) $2,125 (Fine) on or before [insert date];
v) $2,125 (Fine) on or before [insert date]; and
vi) $2,125 (Fine) on or before [insert date].

4. The Respondent shall in the future comply with MFDA Rule 2.1.1; and

5. If at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.

**DATED** this [day] day of [month], 20[ ].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____

[Name of Industry Representative]

DM 706179