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: Maryanne Leslie Yu

Heard: January 26, 2022 by electronic hearing in Saskatoon, Saskatchewan
Decision: January 26, 2022
Reasons for Decision: May 12, 2022

REASONS FOR DECISION

Hearing Panel of the Prairie Regional Council:

Sherri Walsh	Chair
James Samanta	Industry Representative
Charlene Snell	Industry Representative

Appearances:

Michael Mantle	)	Enforcement Counsel for the Mutual Fund Dealers Association of Canada
Maryanne Leslie Yu	)	Respondent

I. INTRODUCTION

1. On November 2, 2021, 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 Maryanne Leslie Yu (the "Respondent").

2. On October 27, 2021 the Respondent and MFDA Staff ("Staff") entered into a Settlement Agreement (the "Settlement Agreement") pursuant to which the Respondent agreed to a proposed settlement of matters for which she could be disciplined under Sections 20 and 24 of MFDA By-law No. 1.

3. On January 26, 2022 a settlement hearing (the "Hearing") was held by videoconference before a Hearing Panel of the MFDA Prairie Regional Council (the "Panel). The Respondent attended in person and was self-represented.

4. At the outset of the Hearing the Panel granted Staff's motion to move the proceedings *in camera*. The Panel then considered the provisions of the Settlement Agreement, and the written and oral submissions by Staff.

5. At the conclusion of the Hearing, the Panel accepted the Settlement Agreement and issued an Order to that effect. These are the Panel's reasons for that decision.

II. CONTRAVENTIONS

6. In the Settlement Agreement, the Respondent admitted to having committed the following violations of the MFDA's By-laws, Rules or Policies:

Between October and November 2019, the Respondent:

a) Copied and pasted the signature of a client from an account form previously signed by the client onto a new account form; and
b) Signed a client's initials on an account form,

and submitted the account forms to the Member for processing, contrary to MFDA Rule 2.1.1.

III. TERMS OF SETTLEMENT

7. Staff and the Respondent agreed on the following terms of settlement:

a) The Respondent shall pay a fine in the amount of $9,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to Section 24.1.1(b) of By-law No. 1;

b) The Respondent shall pay costs in the amount of $2,500 in certified funds upon acceptance of the settlement agreement, pursuant to Section 24.1.1(b) of By-law No. 1;

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

d) The Respondent will attend the Settlement Hearing in person (via videoconference).

IV. AGREED FACTS

8. Staff and the Respondent agreed to the terms of the settlement on the basis of the agreed facts that were set out at paragraphs 7 through 21 inclusive, of the Settlement Agreement. They were as follows:

> **Registration History**
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> 7. From April 24, 2015 to January 7, 2020, the Respondent was registered in Saskatchewan as a dealing representative with Scotia Securities Inc. (the "Member"), a Member of the MFDA.
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> 8. On January 7, 2020, the Respondent resigned from the Member and she is no longer registered in the securities industry in any capacity.
>
> 9. At all material times, the Respondent carried on business in the Saskatoon, Saskatchewan area.
>
> **Copied and Pasted a Client Signature and Signed a Client's Initials**
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> 10. At all material times, the Member's policies and procedures prohibited its Approved Persons from falsifying client signatures under all circumstances.
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> 11. On or about October 1, 2019, the Respondent submitted an Investment Directions form signed by client MM for processing. The Member returned the Investment Directions form to the Respondent and instructed her to obtain client MM's signature that was missing in the Funding Details section of the form.
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> 12. Rather than meeting with the client to obtain the client's signature on the form, on or about October 2, 2019, the Respondent copied client MM's signature from an account form previously signed by the client, pasted the client's signature onto the Investment Directions section of the new account form, and submitted it to the Member for processing.
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> 13. On or about November 8, 2019, the Respondent submitted to the Member an Investment Selector form signed by client CH containing updated KYC information. The Member returned the form to the Respondent because the date beside the client signature was incorrect. The Respondent was instructed to complete a new form with the correct date and re-submit the form for processing.
>
> 14. Rather than meeting with the client to complete a new form with the correct date, on or around November 8, 2019, the Respondent crossed out the incorrect date and wrote a new date of November 7, 2019, and signed the client CH's initial beside the altered date. The Respondent then submitted this form to the Member for processing.
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> **Member's Investigation**
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> 15. In November 2019, the Member discovered the account forms that are described in this Settlement Agreement.

16. The Member contacted clients MM and CH, who confirmed that the transactions described above at paragraphs 12 and 14 were authorized.

17. The Member also conducted an audit of 25 randomly selected accounts for falsified signatures comparing them against customer signatures on file. No additional examples of copying and pasting of client signatures were found.

Additional Factors

18. The Respondent has not previously been the subject of a MFDA disciplinary proceeding.

19. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond any commissions and fees that he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

20. There is no evidence of any client loss, complaints, or that the transactions were unauthorized.

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

V. ANALYSIS

Role of the Panel

9. The role a Hearing Panel performs at a Settlement Hearing is fundamentally different from the role it performs at a Contested Hearing.

10. When considering a Settlement Agreement, a Hearing Panel has only two options: either to accept or reject the Settlement Agreement.

> MFDA By-law No. 1, s. 24.4.3

11. As stated by the Hearing Panel in *Sterling Mutuals Inc. (Re)* citing the I.D.A. Ontario District Council in *Milewski (Re)*:

> …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." [1999] I.D.A.C.D. No. 17 at page 12
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> > *Sterling Mutuals Inc. (Re)*, MFDA File No. 200820, Hearing Panel of the Central Regional Council, Decision and Reasons dated September 3, 2008, at para. 35

12. MFDA Hearing Panels have confirmed 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.

> *Jacobson Re*, 2007 Hearing Panel of the Prairie Regional Council, MFDA File No. 200712, Panel Decision dated July 13, 2007 at para. 68

13. Hearing Panels have acknowledged that the reason why settlement agreements which have been worked out by the parties should be respected is because Hearing Panels do not know what led to the settlement, or what was given up by the parties during the course of their negotiations.

> *Fike (Re)*, MFDA File No. 2017102, Hearing Panel of the Central Regional Council, Decision and Reasons dated December 7, 2017, at paras. 22 and 23

14. The rationale for respecting settlements of the nature found in the Settlement Agreement in this case, was further articulated by the British Columbia Court of Appeal:

> "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 so doing, 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 who 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."
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> *British Columbia (Securities Commission)* v. *Seifert*, 2007 BCCA 484, para. 31

15. Although the *Seifert* decision dealt with an agreement that was before the British Columbia Securities Commission, the case has been frequently cited by Hearing Panels in MFDA Settlement Hearings.

Factors Concerning Acceptance of a Settlement Agreement

16. MFDA Hearing Panels have taken into account the following considerations when determining whether a proposed settlement should be accepted:

a) Whether acceptance of the settlement agreement would be in the public interest and whether the penalty imposed will protect investors;
b) Whether the settlement agreement is reasonable and proportionate, having regard to the conduct of 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.

Jacobson (Re), *supra*, at para. 70

17. The primary goal of all securities regulation is investor protection.

Pezim v. *British Columbia (Superintendent of Brokers)*, [1994] 2 S.C.R. 557, at paras. 59 & 68

18. In addition to investor protection, the goals of securities regulation include fostering public confidence in the capital markets and in the securities industry, as a whole.

Pezim v. *British Columbia (Superintendent of Brokers)*, *supra*, at paras. 59 & 68

19. In determining the appropriateness of a proposed penalty, Hearing Panels frequently cite the decision in *Breckenridge (Re)*, where the Hearing Panel stated that sanctions "… should be preventative, protective and prospective in nature …" taking into account the following considerations:

a) The protection of the investing public;

b) The integrity of the securities markets;

c) Specific and general deterrence;

d) The protection of the MFDA's membership; and

e) Protection of the integrity of the MFDA's enforcement processes.

Breckenridge (Re), MFDA File No. 200718, Hearing Panel of the Central Regional Council, 2007 LNCMFDA 38, at paras. 75 &76

20. The Hearing Panel in *Breckenridge (Re)* set out the following additional factors which a Hearing Panel should consider, having regard to the specific circumstances of the case:

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.

Breckenridge (Re), *supra*, at para. 77

MFDA Sanction Guidelines

21. On November 15, 2018 the MFDA issued Sanction Guidelines (the "Guidelines") to assist Staff and Respondents in conducting disciplinary proceedings and negotiating settlement agreements and to assist Hearing Panels in determining the fair and efficient disposition of settled and contested disciplinary proceedings.

22. The Guidelines, as their name suggests, are not mandatory. They state, under the heading: "Purpose of the Sanction Guidelines":

> "… The determination of the appropriate sanction in any given case is discretionary and a fact specific process. The appropriate sanction depends on the facts of a particular case and the circumstances of the conduct. The Sanction Guidelines are intended to provide a summary of the key factors upon which discretion may be exercised consistently and fairly in like circumstances, but are not binding on Hearing Panels. The list of key factors in the Sanction Guidelines is not exhaustive, and Hearing Panels may consider other aggravating and mitigating factors as appropriate.
>
> Hearing Panels should always exercise judgement and discretion, and consider appropriate aggravating and mitigating factors in determining appropriate sanctions in every case. In addition, Hearing Panels should identify the basis for the sanctions imposed in the Reasons for Decision."

MFDA Sanction Guidelines, p.1

Application in the Present Case

Nature of the Misconduct

23. The Respondent in this matter copied and pasted a client's signature from a previously signed account form and applied the signature to a new account form. She also signed a client's initials on an account form. She then submitted these account forms to the Member for processing.

24. MFDA Hearing Panels have determined that this type of conduct, also known as "signature falsification", is serious misconduct which contravenes MFDA Rule 2.1.1.

Standard of Conduct

25. MFDA Rule 2.1.1 prescribes the standard of conduct applicable to all registrants in the mutual fund industry. The Rule requires, among other things, that:

> Each Member and Approved Person of a Member shall: deal fairly, honestly and in good faith with its clients; observe high standards of ethics and conduct in the transaction of business; and not engage in any business, conduct or practice which is unbecoming or detrimental to the public interest.
>
> MFDA Rule 2.1.1(a)-(c)

26. The MFDA has previously issued warnings to Approved Persons and Members, in the form of both a Notice and a Bulletin, not to copy and paste a client's signature from a previously signed account form and apply the signature to a new account form and not to sign a client's name or initials to a form.

> MFDA Notice #MSN-0066 dated October 31, 2007 (updated March 4, 2013)
>
> MFDA Bulletin #0661-E dated October 2, 2015

27. MFDA Bulletin #0661-E specifically stated that Members and Approved Persons:

> … may only use forms that are properly executed by the client after information on the form has been properly completed.

28. The Bulletin identified the following examples of signature falsification:

- having a client sign a form which is blank or only partially completed (pre-signed form);
- signing a client's name to a document;

- cutting and pasting, photocopying or using correction fluid on a document to "reuse a previous signature;
- altering any information on a signed document, without the client initialing the document to show the change was approved.

29. Both the Notice and the Bulletin not only identified the types of conduct which are prohibited they also identified the reason why the conduct was prohibited.

30. For example, Staff Notice #MSN-0066 stated that:

> The existence of pre-signed trade order forms in client files may be evidence that an Approved Person is engaging in discretionary trading. Under securities legislation and MFDA Rules, Members and Approved Persons are not permitted to accept discretionary trading from a client.

31. The Notice went on to say that even in cases where there is no evidence of intent to use a pre-signed form for the purpose of discretionary trading:

> … the use of such forms destroys the integrity of the audit trail for activity in the relevant client's account.

32. Bulletin No. 0661-E also warned that the improper use of forms can:

- adversely affect the integrity and reliability of documents;
- destroy the audit trail;
- impact the ability of Approved Persons to produce valid documentation to support transactions that come into question;
- prejudice a client by making it appear that they have executed a particular document when they have not;
- mislead Members' supervisory personnel;
- negatively affect the credibility of the Approved Person;
- negatively affect Member complaint handling; and
- be used to facilitate other misconduct such as unauthorized trading, fraud and misappropriation of funds.

33. It further stated that any falsification is unacceptable whether or not:

- it is done for the purposes of client convenience;

- the client instructs or otherwise consents to the Approved Person falsifying the document;
- the client complains or there is financial harm to the client;
- it was the Approved Person's intention to deceive a client or other person; or
- the document is used to commit a further breach of the rules.

34. The authenticity of client signatures is one of the foundations upon which client trust is established and client instructions are carried out.

35. In the Panel's view, the falsification of a client's signature constitutes particularly serious misconduct.

36. As the Hearing Panel in *Techer* noted, unlike with pre-signed account forms, where the client knows that they are signing an incomplete form to be used in some way, in the case of a form which has been falsified by the Approved Person, the possibility exists that the client is unaware of the Approved Person's actions.

> *Techer*, MFDA File No. 201662, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated December 5, 2016, at para. 38

37. Previous MFDA Hearing Panels have held that the acts of copying and pasting a client's signature from a previously signed account form and applying the signature to a new account form as well as signing a client's signature on an account form, contravene the standard of conduct described under MFDA Rule 2.1.1.

> *Barnai Re*, [2015] Hearing Panel of the Central Regional Council, MFDA File No. 201325, Panel Decision dated March 17, 2015, at paras. 6-8
>
> *Singh (Re)*, [2017] Hearing Panel of the Central Regional Council, MFDA File No. 2017110, Panel Decision dated December 8, 2017, at para. 5
>
> *Lewis (Re)*, [2018] Hearing Panel of the Prairie Regional Council, MFDA File No. 2017121, Panel Decision dated March 26, 2018, at paras. 30-32

38. The principles with respect to falsified client signatures have been well summarized by the Hearing Panel in *Barnai* as follows:

> "Falsifying client signatures or initials is serious misconduct. Signature falsification (like the use of pre-signed forms) adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation."

As a Hearing Panel of the Investment Dealers Association (now IIROC) stated in *Bell (Re):*

> "Forgery is always serious. It is unequivocally condemned because it is fundamentally dishonest and dangerous. Any act of forgery is a step onto a steep and slippery slope of deception that is always potentially harmful to clients and actually harmful to the Member firm and the securities industry as a whole."

[…]

Lamontagne (Re) reiterated the principle set out in *Bell (Re)*, but went on to state that, where warranted, hearing panels may distinguish between serious and less egregious instances of falsification:

> "Forgery is always a serious regulatory matter because it shows that the Respondent lacks the honesty required of a professional in the securities industry … forgery often attracts severe sanctions. While there is no such thing as a "minor case" of forgery, hearing panels may distinguish between more and less egregious examples of forgery."

[…]

Barnai (Re), *supra*, at paras. 6-8

39. The Panel agrees with Staff's submission that the type of misconduct the Respondent committed in this case, among other things: adversely affects the integrity and reliability of account documents; leads to the destruction of the audit trail; has a negative impact on Member complaint handling; and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation.

40. We also agree with Staff's submission that the Respondent's misconduct in this case constitutes serious misconduct regardless of whether:

a) The client was aware of or authorized the re-use of their signature; or
b) The forms were used by the Respondent for discretionary trading or other improper purposes.

Post Bulletin Conduct

41. In Bulletin #0661-E Staff identified that the MFDA will be seeking increased penalties in upcoming cases involving signature falsification. The Bulletin was issued on October 2, 2015.

42. All of the conduct which was the subject of these proceedings was carried out after the MFDA issued that Bulletin. MFDA Hearing Panels have considered this to be an aggravating factor.

Techer, supra, at para. 44

Ackerman, MFDA File No. 201734, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated September 13, 2017, para. 29

43. The Panel echoes the sentiments of previous MFDA Hearing Panels which have expressed grave concern that misconduct similar to that engaged in by the Respondent continues to persist.

Ramjohn (Re), [2021] Hearing Panel of the Central Regional Council, MFDA File No. 202067, Panel Decision dated October 22, 2021, at para. 1

Gilchrist (Re), [2017] Hearing Panel of the Central Regional Council, MFDA File No. 2016100, Panel Decision May 29, 2017, at para. 16

44. We agree with Staff's submission that meaningful penalties need to be imposed on Approved Persons who engage in misconduct of the nature which is the subject of these proceedings, in order to deter such practices from occurring in the future.

Respondent's Recognition of the Seriousness of the Misconduct

45. By entering into the Settlement Agreement the Respondent has recognized the seriousness of the misconduct and has accepted responsibility for her actions. She has also saved the MFDA the time, resources and expenses associated with a full disciplinary hearing.

Harm Suffered by Investors

46. There was no evidence of client complaints, client loss; nor lack of authorization for the underlying transactions. It was important for the Panel that this was the case.

Benefits Received by the Respondent

47. There was also no evidence that the Respondent received any financial benefit from her misconduct.

The Respondent's Past Conduct Including Prior Sanctions

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

Deterrence

49. Both the Supreme Court of Canada and MFDA Hearing Panels have held that deterrence is an appropriate factor to be taken into account when determining the appropriateness of a penalty.

Cartaway Resources Corp. (Re), [2004] 1 SCR 672 (SCC) at paras. 52-62

Tonnies (Re), 2005 LNC MFDA 7 at para. 47

50. Deterrence is intended to capture both specific deterrence of the wrongdoer as well as general deterrence of other participants in the markets in order to protect investors. As the Supreme Court of Canada stated:

> The Oxford English Dictionary (2nd ed. 1989), vol. XII, defines "preventive" as "[t]hat anticipates in order to ward against; precautionary; that keeps from coming or taking place; that acts as a hindrance or obstacle". A penalty that is meant to deter generally is a penalty that is designed to keep an occurrence from happening; it discourages similar wrongdoing in others. In a word, a general deterrent is preventative. It is therefore reasonable to consider general deterrence as a factor, albeit not the only one, in imposing a sanction under s. 162. The respective importance of general deterrence as a factor will vary according to the breach of the Act and the circumstances of the person charged with breaching the Act.
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> *Cartaway Resources Corp. (Re)*, *supra*, at paras. 52-62

51. We find that the penalty which is proposed in the Settlement Agreement is sufficient to demonstrate that the Respondent's misconduct in all of the circumstances is serious and carries significant consequences. It will ensure deterrence to both the Respondent and others in the mutual fund industry from engaging in similar activity to that described in the Settlement Agreement.

Previous Decisions in Similar Cases

52. The Panel agrees with Staff's submission that the following cases were sufficiently similar for us to consider in determining the appropriateness of the penalty agreed upon by the parties.

Case:	Facts:	Penalty:	Other Factors:
Terrill (Re), [2019] Hearing Panel of the Prairie Regional Council, MFDA File No. 201909, Panel Decision dated May 9, 2019	The Respondent: • In May 2017, the Respondent directed his assistant, for whom he was responsible, to alter information on 2 client account forms in respect of 1 client, and sign the client's initials on the forms, contrary to MFDA Rule 2.1.1. • In February 2015, the Respondent obtained, possessed, and used, 1 pre-signed account form in respect of 2 clients, contrary to MFDA Rule 2.1.1.	**Settlement** • $7,500 fine. • $2,500 costs.	• Some of the conduct occurred post-warning bulletin issued by the MFDA. • The Member issued a warning letter to the Respondent and imposed a fine of $2,000. • The Respondent has not previously been the subject of an MFDA disciplinary proceeding. • There is no evidence of any client loss or that the transactions were unauthorized. • No evidence of financial benefit to the Respondent.

Case:	Facts:	Penalty:	Other Factors:
Markus (Re), [2018] Hearing Panel of the Central Regional Council, MFDA File No. 201774, Panel Decision dated February 7, 2018	The Respondent: • Admitted that on or about November 27, 2015 he signed the signature of one client on an account form contrary to MFDA Rule 2.1.1.	**Settlement** • $5,000 fine. • $2,500 costs.	• Conduct occurred post- warning bulletin issued by the MFDA. • There was no evidence of financial loss suffered by the client. • No evidence of financial benefit to the Respondent. • The Respondent recognized the seriousness of his misconduct. • No prior disciplinary history.
Aitken (Re), [2018] Hearing Panel of the Central Regional Council, MFDA File No. 201794, Panel Decision dated February 27, 2018	The Respondent: • Admitted that on November 19, 2015, she cut and pasted a client signature from an account form previously signed by a client onto a new account form, and used the new account form to process a transaction, contrary to MFDA Rule 2.1.1.	**Settlement** • $4,500 fine. • $2,500 costs. • A prohibition on acting as a branch manager for three months	• Conduct occurred post- warning bulletin issued by the MFDA. • The Respondent was a branch manager when the misconduct occurred. • The Respondent resigned from her Member and is no longer registered in the securities industry. • No evidence of financial benefit to the Respondent. • There was no evidence of client loss or lack of client authorization. • No prior disciplinary history.
Foley (Re), [2016] Hearing Panel of the Central Regional Council, MFDA File No. 201547, Panel Decision dated February 19, 2016	The Respondent: • Admits that in May 2014, he falsified two (2) client signatures on two (2) Know-Your- Client forms, contrary to MFDA Rule 2.1.1.	**Settlement** • $6,000 fine. • $2,500 costs.	• Conduct occurred before the warning bulletin issued by the MFDA. • No prior disciplinary history. • No evidence of financial benefit to the Respondent. • The clients suffered an opportunity loss in the amount of $1,050 as a result of the delay in the execution of their requested trade. The Member compensated the affected clients,

Case:	Facts:	Penalty:	Other Factors:
			drawing a charge from the Respondent's commission in the amount of the loss. • The Respondent cooperated with Investors Group during its investigation into his conduct.
Pang (Re), [2016] Hearing Panel of the Pacific Regional Council, MFDA File No. 201563, Panel Decision dated July 5, 2016	The Respondent: • On March 14, 2014 the Respondent falsified client PC's signature (i.e.: the Respondent cut and pasted PC's signature on to an account form), on a joint TD Mutual Fund Non-Registered Account Application with Know- Your-Client ("KYC") information contained in the application (the "NAAF").	**Settlement** • $4,000 fine. • $2,500 costs.	• Conduct occurred before the warning bulletin issued by the MFDA. • No prior disciplinary history. • No evidence of financial benefit to the Respondent. • No evidence of client harm, and the client did not report any concerns to the Member. • The Respondent had previously been a Branch Manager.

53. At the Hearing, Staff took the time to review each of the above referenced decisions with the Panel, pointing out the basis upon which they were relevant to the Panel's decision in this matter. The Panel was grateful for that analysis and assistance.

54. After considering Staff's submissions with respect to these decisions, the Panel agreed that the proposed settlement falls within the range of appropriateness consistent with penalties imposed by MFDA Hearing Panels in previous cases.

VI. CONCLUSION

55. Having reviewed the Settlement Agreement and having considered Staff's submissions the Panel is satisfied that the penalty which is set out in the Settlement Agreement falls within a reasonable range of appropriateness having regard to the nature and extent of the Respondent's misconduct in all of the circumstances.

56. We are satisfied that this penalty is in the public interest, is reasonable and proportionate, achieves the goals of specific and general deterrence and will foster public confidence in the integrity of the Canadian markets and the mutual fund industry.

57. For the foregoing reasons, at the conclusion of the Hearing, the Panel accepted the Settlement Agreement and signed an Order, dated January 26, 2022, to that effect.

DATED this 12th day of May, 2022.

"Sherri Walsh"
Sherri Walsh
Chair

"James Samanta"
James Samanta
Industry Representative

"Charlene Snell"
Charlene Snell
Industry Representative

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