



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: Info Financial Consulting Group Inc.

Heard: October 13, 2011 in Toronto, Ontario
Reasons for Decision: December 7, 2011

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

The Hon. Edward Saunders, Q.C.
Linda J. Anderson
Selwyn Kossuth

Chair
Industry Representative
Industry Representative

Appearances:

David Halasz)	For the Mutual Fund Dealers Association of Canada
)	
Gary Yung)	President, Info Financial Consulting Group Inc.
)	

1. This is a settlement hearing pursuant to Section 24.4 of By-law No. 1 of the Mutual Fund Dealers Association of Canada (the “MFDA”). In 2009, staff of the MFDA conducted an investigation of the activities of Info Financial Consulting Group Inc. (the “Respondent”). The investigation disclosed deficiencies in compliance with the MFDA by-laws, rules and policies for which the Respondent could be penalized on the exercise of the discretion of a hearing panel pursuant to By-law No. 1 of the MFDA. The MFDA and the Respondent entered into a settlement agreement dated September 29, 2011 (the “Settlement Agreement”) which they submitted for acceptance by this panel.

2. The facts upon which the settlement is based are set out in Section IV of the Settlement Agreement and need not be repeated here.

3. The Respondent has admitted that between May 1, 2007 and January 31, 2009:

(a) it failed to establish, implement and maintain adequate policies and procedures to supervise leveraging recommendations and ensure the suitability of leveraging recommendations made by Approved Persons to clients, contrary to MFDA Rules 2.2.1, 2.5, 2.6 and 2.10 and MFDA Policy No. 2; and

(b) it failed to maintain adequate records of the supervision of leveraging recommendations that was conducted by its Approved persons, including records of inquiries made, responses received and resolutions achieved, contrary to MFDA Rules 2.2.1 and 2.5 and MFDA Policy No. 2.

4. The Respondent has co-operated with the MFDA staff throughout the investigation and settlement process. It has revised its policies and procedures with regard to supervision of leveraging to the satisfaction of the MFDA staff and has implemented those revisions. It has undertaken to comply with the revised policies and procedures in the future.

5. The Respondent has also developed a plan (the “Leverage Review Action Plan”) which has been reviewed by the MFDA staff and found adequate. The Respondent represents that it will fully carry out the terms of the Plan to the satisfaction of the MFDA. On consent of the parties the panel was advised that, at the time of the hearing, there had been no complaints from

investors, but there is a possibility that complaints may arise in the future in the course of the implementation of the Leverage Review Action Plan.

6. The Respondent has not been the subject of previous MFDA disciplinary proceedings.

7. Under the Settlement Agreement, the Respondent has agreed to:

(a) pay a fine in the amount of \$25,000 upon the acceptance of this Settlement Agreement, pursuant to Section 24.1.2(b) of MFDA By-law No. 1; and

(b) pay the costs of this proceeding in the amount of \$2,500 upon the acceptance of this settlement, pursuant to Section 24.2 of MFDA By-law No. 1.

8. The panel agrees with the opinion of the MFDA staff that a monitor is not required in the circumstances of this case.

9. After review of the Settlement Agreement and the submissions, and in particular after review of the proposed penalty, the panel concludes that the Settlement Agreement should be accepted in the public interest as being reasonable and well within the range of acceptable settlements.

DATED this 7th day of December, 2011.

“Edward Saunders”

The Hon. Edward Saunders, Q.C.,
Chair

“Linda Anderson”

Linda J. Anderson,
Industry Representative

“Selwyn Kossuth”

Selwyn Kossuth,
Industry Representative