



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

**IN THE MATTER OF AN APPLICATION  
PURSUANT TO SECTION 24.3 OF BY-LAW NO. 1 OF  
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**Re: MonArc Money Solutions Inc.**

Heard: October 25, 2013 in Toronto, Ontario  
Reasons for Decision (Order): October 28, 2013

**REASONS FOR DECISION  
(ORDER)**

Hearing Panel of the Central Regional Council:

Frederick H. Webber	Chair
Linda J. Anderson	Industry Representative
Susan L. Schulze	Industry Representative

Appearances:

David Halasz	)	For the Mutual Fund Dealers Association of
	)	Canada (“MFDA”)
	)	
Rhéal Sabourin	)	President, MonArc Money Solutions Inc. (the
	)	“Respondent”)
Karina Stevens	)	Owner, MonArc Money Solutions Inc.
	)	

## **I. Section 24.3 Hearing**

1. The hearing in this matter was held on October 25, 2013, pursuant to a Notice of Application dated October 18, 2013, a copy of which is attached hereto as Schedule “A” (the “NoA”). At the outset of the hearing, MFDA counsel advised the Panel that the Respondent had consented to the order that was being sought by the MFDA. This was confirmed verbally by both representatives of the Respondent.

## **II. Grounds for the Application**

2. The grounds for the application and the order sought are set out in detail in the attached NoA and need not be repeated herein. In summary, the grounds for the application are that the Autorité des marchés financiers (the “AMF”) withdrew the Respondent’s rights of registration in Quebec on October 17, 2013, and on October 18, 2013 the Respondent submitted to the MFDA a request to resign from membership in the MFDA immediately and also advised the MFDA that it had voluntarily ceased, or intended to immediately cease, operations in Ontario. The first ground falls within ss. 24.3.2(a)(i) and (iii) and the second ground falls within s. 24.3.2(a)(xiv) of MFDA By-law No. 1. Therefore, even if the Respondent had not consented to the order sought, it would have been this Panel’s decision that these are sufficient grounds for granting the order sought.

## **III. Order**

3. Based on the Respondent’s consent and the grounds stated above, it is the decision of this Panel to grant the order sought by the MFDA, a copy of which is attached hereto as Schedule “B”. Accordingly, at the conclusion of the hearing, the members of the Panel executed a copy of the said order.

**DATED** this 28<sup>th</sup> day of October, 2013.

“Frederick H. Webber”

---

Frederick H. Webber,  
Chair

“Linda J. Anderson”

Linda J. Anderson,  
Industry Representative

“Susan L. Schulze”

Susan L. Schulze,  
Industry Representative

DM 358804 v1



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

**IN THE MATTER OF AN APPLICATION  
PURSUANT TO SECTION 24.3 OF BY-LAW NO. 1 OF  
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**Re: MonArc Money Solutions Inc.**

---

**NOTICE OF APPLICATION**  
(Section 24.3 of By-law No. 1)

---

**NOTICE** is hereby given that an application pursuant to section 24.3 of By-law No. 1 of the Mutual Fund Dealers Association of Canada (the "MFDA") will be brought by Staff of the MFDA ("Staff"), with notice to MonArc Money Solutions Inc. (the "Respondent"), before a hearing panel of the MFDA's Central Regional Council (the "Hearing Panel") in the hearing room located at 121 King Street West, Suite 1000, Toronto, Ontario on Friday, October 25, 2013 at 10:00 a.m. (Eastern), or as soon thereafter as the hearing can be held.

**DATED** this 18<sup>th</sup> day of October, 2013.

"Jason D. Bennett"

Jason D. Bennett  
Corporate Secretary

Mutual Fund Dealers Association of Canada  
121 King St. West, Suite 1000  
Toronto, Ontario, M5H 3T9  
Tel.: 416-943-7431  
Fax: 416-361-9781  
Email: [corporatesecretary@mfd.ca](mailto:corporatesecretary@mfd.ca)

**THE APPLICATION IS FOR AN ORDER** issued in accordance with subsections 24.3.3 of MFDA By-law No. 1 (the “By-law”), for the following:

1. MonArc shall immediately be suspended of all of the rights and privileges of membership in the MFDA, including its authority to conduct securities related business, on such terms and conditions as the Hearing Panel considers appropriate, pursuant to s. 24.3.3(a);
2. MonArc shall immediately cease dealing with the public other than as may be reasonably necessary to comply with the terms of this Order, pursuant to s. 24.3.3(c);
3. MonArc shall provide such cooperation and assistance to Staff as is necessary to ensure MonArc’s orderly resignation, including without limitation, the prompt and orderly transfer of MonArc’s clients, pursuant to s. 24.3.3(b) and (d);
4. MonArc shall immediately provide Staff with a list of its clients, including their contact information, pursuant to s. 24.3.3(b) and (d);
5. Staff may take such actions as are reasonably necessary to give effect to the terms of this Order, including without limitation, taking any actions to facilitate the orderly transfer of client accounts from MonArc and the orderly resignation of MonArc, pursuant to s. 24.3.3(b) and (d);
6. Staff may re-attend before the Hearing Panel to seek such further orders and directions as may be reasonably necessary to give effect to the terms of this Order, including an Order terminating the Membership of MonArc in the MFDA, and such re-attendances may be made with or without notice to MonArc and may be in-person, in writing or by way of electronic hearing, as time or circumstances reasonably require and the Hearing Panel permits, pursuant to s. 24.3.3(a) and (b); and
7. Such further and other relief as Staff may request and the Hearing Panel may allow.

**THE GROUNDS FOR THE APPLICATION ARE:**

1. MonArc has been a Member of the MFDA since November 29, 2011.
2. MonArc's principal jurisdiction is Quebec, where it was registered as a mutual fund dealer until October 17, 2013. MonArc is currently registered as a mutual fund dealer in Ontario. MonArc is not registered in any other jurisdictions.
3. On October 17, 2013, the Autorité des marchés financiers (the "AMF") withdrew MonArc's rights of registration in Quebec, due to its failure to comply with certain conditions imposed on MonArc by the Bureau de décision et de révision (the "Bureau") in a proceeding brought at the request of the AMF against MonArc, its former Ultimate Designated Person, and its former Chief Compliance Officer.
4. On October 18, 2013, MonArc submitted to the MFDA a request to resign from membership in the MFDA immediately and also advised Staff that it had voluntarily ceased, or intended to immediately cease, operations in Ontario.
5. The length of time required to arrange for and conduct a disciplinary hearing pursuant to sections 20 and 24.1 would be prejudicial to the public interest;
6. Sections 24.3.2(a)(i), (iii) and (xiv) and 24.3.3 (a), (b), (c) and (d) of MFDA By-law No. 1; and
7. Such further and other grounds as Staff may advise and the Hearing Panel may permit.

**THE FOLLOWING** evidence will be relied upon at the hearing of the application:

1. the affidavit of Laura Milliken to be sworn and filed on this application; and

2. such further and other evidence as Staff may submit and the Hearing Panel may permit.

**NOTICE** is further given that the Respondent shall be entitled to appear and be heard and be represented by counsel or agent at the hearing of the application and to make submissions, present evidence and call, examine and cross-examine witnesses.

**NOTICE** is further given that the Respondent may object to the proposed form of the application by advising all other parties and the Corporate Secretary in writing of the grounds for the objection.

**NOTICE** is further given that where the Hearing Panel determines that the application will be heard in a form other than the form proposed by Staff, the Corporate Secretary will notify the parties of the Hearing Panel's determination.

**NOTICE** is further given that after the Respondent has confirmed their attendance at the application, Staff shall serve a copy of its Application Record on the Respondent as soon as practicable. The Application Record shall contain:

- (a) a copy of the Notice of Application; and
- (b) copies of the evidence and materials to be relied upon.

**NOTICE** is further given that the Respondent may serve on every other party and file a Responding Record as soon as practicable, unless the Hearing Panel directs otherwise. The Responding Record shall contain:

- (a) a statement of the reasons why the relief should not be granted; and
- (b) copies of any additional evidence or other materials to be relied upon.

A Responding Record may be served upon Enforcement Counsel at:

Mutual Fund Dealers Association of Canada

121 King Street West  
Suite 1000  
Toronto, ON M5H 3T9  
Attention: David Halasz  
Fax: 416-361-9073  
Email: dhalasz@mfd.ca

A Responding Record may be filed by:

- (a) providing 4 copies of the Responding Record to the Corporate Secretary by personal delivery, mail or courier to:

The Mutual Fund Dealers Association of Canada  
121 King Street West  
Suite 1000  
Toronto, ON M5H 3T9  
Attention: Office of the Corporate Secretary; or

- (b) transmitting 1 copy of the Responding Record to the Corporate Secretary by fax to fax number 416-361-9781, provided that the Responding Record does not exceed 16 pages, inclusive of the covering page, unless the Corporate Secretary permits otherwise; or transmitting 1 electronic copy of the Responding Record to the Corporate Secretary by e-mail at [CorporateSecretary@mfd.ca](mailto:CorporateSecretary@mfd.ca).



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

**IN THE MATTER OF AN APPLICATION  
PURSUANT TO SECTION 24.3.2 OF BY-LAW NO. 1 OF  
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**Re: MonArc Money Solutions Inc.**

---

**ORDER**

---

**WHEREAS** this application was brought by Staff of the Mutual Fund Dealers Association of Canada (the "MFDA"), with notice to MonArc Money Solutions Inc. ("MonArc"), a Member of the MFDA, before a Hearing Panel (the "Hearing Panel") of the Central Regional Council of the MFDA pursuant to section 24.3.2(a)(i), (iii) and (xiv) of MFDA By-Law No. 1 (the "By-law");

**AND WHEREAS** on October 17, 2013, MonArc's registration as a mutual fund dealer in the province of Quebec was withdrawn by the Autorité des marchés financiers;

**AND WHEREAS** on October 18, 2013, MonArc provided the MFDA with notice of MonArc's intention to resign as a Member of the MFDA and cease operations;

**AND WHEREAS** pursuant to ss. 24.3.2(i), (iii) and (xiv) of the By-law, the Hearing Panel may, upon application of the MFDA, suspend the rights and privileges of Membership of an MFDA Member on such terms and conditions as the Hearing Panel considers appropriate, in the event that the Member's registration as a mutual fund dealer is suspended, its rights and privileges are suspended or terminated by a financial services regulator or other securities

regulatory authority inside Canada, or the Member gives notice to the MFDA of its intention to resign its Membership;

**AND WHEREAS** upon reading the Affidavit of Laura Milliken, sworn October 22, 2013, and the exhibits attached thereto; upon hearing the submissions of MFDA Staff and of MonArc; and upon being advised that MonArc consents to the terms of this Order;

**IT IS HEREBY ORDERED THAT:**

1. MonArc's membership in the MFDA shall be subject to the following terms and conditions commencing immediately, pursuant to s. 24.3(a) and (b):

- a) MonArc is prohibited from engaging in securities related business, except that it may process switches in client accounts between mutual funds within the same mutual fund family and process redemptions in client accounts, until all client accounts are transferred from MonArc;
- b) MonArc is prohibited from handling purchase monies, redemption proceeds, or any other monies on behalf of a client; and
- c) MonArc is prohibited from opening any new client accounts;

2. Pursuant to s. 24.3.3(a) of the By-law, the rights and privileges of MonArc's Membership in the MFDA shall be suspended the sooner of:

- (a) all client accounts being transferred from MonArc; or
- (b) Tuesday November 12, 2013;

unless the Hearing Panel directs otherwise;

3. MonArc shall provide such full and expeditious cooperation and assistance to MFDA Staff, the Ontario Securities Commission, and any other necessary parties as may be required to ensure MonArc's orderly resignation and wind-down, including without limitation, the prompt

and orderly transfer of MonArc's clients, pursuant to ss. 24.3.3(b) and (d) of the By-law;

4. If requested by MFDA Staff, MonArc shall immediately provide MFDA Staff with a list of its clients, including their contact information, pursuant to ss. 24.3.3(b) and (d) of the By-law;

5. MFDA Staff may take such actions as are reasonable necessary to give effect to the terms of this Order, including without limitation, taking any actions to facilitate the orderly transfer of client accounts from MonArc and the orderly resignation of MonArc, pursuant to ss. 24.3.3(b) and (d) of the By-law;

6. MonArc shall continue to meet all its obligations under MFDA By-laws, Rules and Policies s. 24.3.3(b) of the By-law; and

7. MFDA Staff may re-attend before the Hearing Panel to seek such further orders and directions as may be reasonably necessary to give effect to the terms of this Order, including an Order terminating the Membership of MonArc in the MFDA, and such re-attendances may be made with or without notice to MonArc and may be in-person, in writing or by way of electronic hearing, as time or circumstances reasonably require and the Hearing Panel permits, pursuant to s. 24.3.3(a) and (b) of the By-law.

**DATED** this 25<sup>th</sup> day of October, 2013.

“Frederick H. Webber”

---

Frederick H. Webber  
Chair

“Linda J. Anderson”

---

Linda J. Anderson,  
Industry Representative

“Susan Schulze”

---

Susan Schulze,  
Industry Representative