



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

**IN THE MATTER OF A DISCIPLINARY HEARING
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Hope Moira Donna Thomas

NOTICE OF HEARING

NOTICE is hereby given that a first appearance will take place by teleconference before a hearing panel of the Pacific Regional Council (“Hearing Panel”) of the Mutual Fund Dealers Association of Canada (“MFDA”) on April 22, 2022 at 10:00 a.m. (Pacific), or as soon thereafter as the appearance can be held, concerning a disciplinary proceeding commenced by the MFDA against Hope Moira Donna Thomas (“Respondent”). Members of the public who would like to listen to the teleconference should contact hearings@mfd.ca to obtain particulars.

DATED this 22nd day of November, 2021.

“Michelle Pong”

Michelle Pong
Director, Regional Councils

Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Telephone: 416-945-5134
Email: corporatesecretary@mfd.ca

NOTICE is further given that the MFDA alleges the following violations of the By-laws, Rules or Policies of the MFDA:

Allegation #1: Between February 2019 and August 2019, the Respondent misappropriated or failed to account for monies obtained from a client or in the client's name, contrary to MFDA Rule 2.1.1.

Allegation #2: Between February 2019 and August 2019, the Respondent submitted for processing unauthorized redemptions in the account of a client, contrary to the Member's policies and procedures, and MFDA Rules 2.1.1, 2.5.1, and 1.1.2.

PARTICULARS

NOTICE is further given that the following is a summary of the facts alleged and intended to be relied upon by the MFDA at the hearing:

Registration History

1. From December 7, 2012 to October 25, 2019, the Respondent was registered in British Columbia as a dealing representative with CIBC Securities Inc. (the "Member"), a Member of the MFDA.
2. On October 25, 2019, the Member terminated the Respondent, and the Respondent is not currently registered in the securities industry in any capacity.
3. At all material times, the Respondent was also employed by a bank affiliated with the Member (the "Bank").
4. At all material times, the Respondent carried on business in the Merritt, British Columbia area.

Allegation #1 - Misappropriation or Failure to Account

5. At all material times, client TR was a client of the Member whose account was serviced by the Respondent. In January 2018, client TR was 79 years of age, and by virtue of her age was a vulnerable client.
6. On or about January 18, 2018, client TR opened a Tax Free Savings Account ("TFSA") at the Member and purchased mutual funds totaling approximately \$56,316. The Respondent

processed the opening of the TFSA account and the purchase of mutual funds on behalf of client TR.

7. Between February 2019 and August 2019, without client TR’s knowledge or authorization, the Respondent processed twelve redemptions from client TR’s TFSA account totaling \$59,000 (collectively, the “TFSA Redemptions”), as described in the following chart:

	Date	Unauthorized Redemption Amount
1.	4-Feb-19	\$6,000
2.	11-Feb-19	\$2,500
3.	19-Feb-19	\$3,000
4.	23-Apr-19	\$1,000
5.	25-Apr-19	\$6,500
6.	1-May-19	\$2,500
7.	21-May-19	\$12,000
8.	5-Jun-19	\$10,000
9.	19-Jun-19	\$5,000
10.	20-Jun-19	\$6,000
11.	2-Jul-19	\$4,000
12.	20-Aug-19	\$500
		Total \$59,000

8. In or about December 2018, the Respondent opened a new bank account in the name of client TR without her knowledge or authorization (the “Fake Account”), and deposited the proceeds of the TFSA Redemptions to the Fake Account. The Respondent subsequently used a bank card in client TR’s name that the Respondent maintained possession of and withdrew monies from the Fake Account.

9. The Respondent changed client TR’s account statement delivery method so it would be delivered online, and changed the address associated with client TR’s TFSA to the Respondent’s address, which concealed the unauthorized TFSA Redemptions from client TR.

10. In addition to the monies misappropriated from the client TR’s TFSA account at the Member as described above, between September 2018 and September 2019, the Respondent also

misappropriated or failed to account for monies obtained from a bank account that client TR held with her spouse in the amount of approximately \$34,000. In addition, the Respondent, without client TR's authorization, applied for personal loans and a line of credit in client TR's name, and withdrew amounts totaling approximately \$64,000.

11. The Respondent used the monies she obtained from client TR's TFSA and bank accounts for her personal use, and has failed to repay or otherwise account for the monies.

12. In October 2019, personnel at the Bank notified the Member about the monies misappropriated by the Respondent from client TR's TFSA described above. The Member and the Bank subsequently reimbursed client TR for her loss.

13. By engaging in the conduct described above, the Respondent misappropriated or failed to account for monies she obtained from a client or in the client's name, contrary to MFDA Rule 2.1.1.

Allegation #2 – Unauthorized Redemptions

14. At all material times, the Member's policies and procedures prohibited discretionary trading, and required its Approved Persons to obtain a client's explicit and prior approval for every transaction occurring in the client's account.

15. Between February 2019 and August 2019, the Respondent misappropriated or failed to account for monies from client TR the Respondent obtained from processing the Redemptions totaling approximately \$59,000, as described above at paragraph 7.

16. Each of the Redemptions was submitted to the Member for processing without the knowledge or authorization of client TR.

17. By submitting for processing unauthorized redemptions in the account of a client as described above, the Respondent engaged in conduct that was contrary to the Member's policies and procedures, and MFDA Rules 2.1.1, 2.5.1, and 1.1.2.

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 and to make submissions, present evidence and call, examine and cross-examine witnesses.

NOTICE is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;
- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- a) a reprimand;
- b) a fine not exceeding the greater of:
 - (i) \$5,000,000.00 per offence; and
 - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
- c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;
- d) revocation of the authority of such person to conduct securities related business;
- e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time; and
- f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel.

NOTICE is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

NOTICE is further given that the Respondent must **serve a Reply** on Enforcement Counsel and **file a Reply** with the Office of the Corporate Secretary within twenty days from the date of service of this Notice of Hearing.

A **Reply** shall be **served** upon Enforcement Counsel at:

Mutual Fund Dealers Association of Canada
Suite 1220, 650 West Georgia Street
Vancouver, BC V6B 4N9
Attention: Zaid Sayeed
Email: zsayeed@mfd.ca

A **Reply** shall be **filed** by:

- a) providing four copies of the **Reply** to the Office of 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 one electronic copy of the **Reply** to the Office of the Corporate Secretary by e-mail at corporatesecretary@mfd.ca.

A **Reply** may either:

- (i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

NOTICE is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

NOTICE is further given that if the Respondent fails:

- a) to **serve** and **file** a **Reply**; or
- b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-laws.

END.

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