



Now New Self-Regulatory Organization of Canada, a consolidation of IIROC and the MFDA

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES¹**

and

Autumn Kaylee Farmer

NOTICE OF HEARING

NOTICE is hereby given that a first appearance will take place by teleconference before a hearing panel of the Nova Scotia District Hearing Committee (the “Hearing Panel”) of the New Self-Regulatory Organization of Canada (the “Corporation”) on May 5, 2023 at 10:00 a.m. (Atlantic), or as soon thereafter as the appearance can be held, concerning a disciplinary proceeding commenced by the Corporation against Autumn Kaylee Farmer (the “Respondent”). Members of the public who would like to listen to the teleconference should contact hearings@mfd.ca to obtain particulars. The Hearing on the Merits will take place by videoconference.

DATED this 27th day of March, 2023.

“Michelle Pong”

Michelle Pong
Director, District Hearing Committees,
Mutual Fund Division

New Self-Regulatory Organization of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Telephone: 416-945-5134
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NOTICE is further given that the Corporation alleges the following violations of the Mutual Fund Dealer Rules:

Allegation #1: Between August 2020 and October 2020, the Respondent signed the electronic signatures of five clients on 14 account forms, and submitted the account forms to the Dealer Member for processing, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).¹

Allegation #2: In October 2020, the Respondent made false or misleading statements to the Dealer Member during the course of its investigation into the Respondent's conduct, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

PARTICULARS

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

Registration History

1. In approximately May 2019, the Respondent became registered in the securities industry.
2. Between May 24, 2019 and November 18, 2020, the Respondent was registered in Nova Scotia as a dealing representative with Scotia Securities Inc. (the "Dealer Member"), a Dealer Member of the Corporation (formerly a Member of the MFDA).
3. The Dealer Member terminated the Respondent's registration effective November 18, 2020 as a result of the conduct described herein, and she is not currently registered in the securities industry in any capacity.
4. At all material times, the Respondent conducted business in the Kentville, Nova Scotia area.

¹ Staff alleges that, at the time of the misconduct, the Respondent contravened MFDA Rule 2.1.1, which is now incorporated into Mutual Fund Dealer Rule 2.1.1 referred to in this proceeding.

Allegation #1 - The Respondent Signed Client Signatures

5. At all material times, the Dealer Member's policies and procedures prohibited Approved Persons from creating false signatures.

6. Between August 2020 and October 2020, the Respondent signed the electronic signatures of five clients on 14 account forms, and submitted the account forms to the Dealer Member for processing.

7. The account forms consisted of:

- five Transfer Authorization for Registered Investments Forms;
- three Tax Free Savings Account Application Forms;
- three Investment Selector Overview Forms;
- one Investment Account Application Form;
- one Investment Directions Form; and
- one Registered Account Application Form.

8. By virtue of the foregoing, the Respondent failed to observe a high standard of conduct and ethics in the transaction of business and engaged in conduct unbecoming of an Approved Person, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

Allegation #2 - The Respondent Made False or Misleading Statements to the Dealer Member

9. On or about September 24, 2020, the Dealer Member received information that the Respondent had improperly signed electronic signatures.

10. The Dealer Member commenced an investigation into the Respondent's conduct and discovered some of the account forms described above.

11. As part of its investigation, the Dealer Member conducted an interview of the Respondent on October 20, 2020, during which the Respondent falsely denied that she had signed electronic signatures of clients on account forms.

12. During a subsequent interview by the Dealer Member on November 9, 2020, the Respondent admitted that she had signed the electronic signatures of clients on the account forms described above.

13. By virtue of the foregoing, the Respondent made false or misleading statements to the Dealer Member during the course of its investigation into the Respondent's conduct, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

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 pursuant to Mutual Fund Dealer Rule 1A that any person subject to the jurisdiction of the Mutual Fund Dealers Association of Canada prior to January 1, 2023 remains subject to the jurisdiction of the Corporation in respect of any action or matter that occurred while that person was subject to the jurisdiction of the Mutual Fund Dealers Association of Canada at the time of such action or matter.

NOTICE is further given that the Mutual Fund Dealer Rules provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the Corporation;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Dealer Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of the Mutual Fund Dealer Rules of the Corporation;
- has engaged in any business conduct or practice which such Hearing Panel 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;
- 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, Mutual Fund Division within twenty (20) days from the date of service of this Notice of Hearing.

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

New Self-Regulatory Organization of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Attention: Michael A. M. Mantle
Email: mmantle@mfd.ca

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

- a) providing four copies of the **Reply** to the Office of the Corporate Secretary, Mutual Fund Division by personal delivery, mail or courier to:

New Self-Regulatory Organization of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Attention: Office of the Corporate Secretary, Mutual Fund Division; or

- b) transmitting one electronic copy of the **Reply** to the Office of the Corporate Secretary, Mutual Fund Division by e-mail at CorporateSecretary@mfsa.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 Corporation in the Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by the Corporation 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 Corporation 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 Corporation in the Notice of Hearing as having been proven and may impose any of the penalties described in the Mutual Fund Dealer Rules.

End.

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ⁱ On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization recognized under applicable securities legislation. The New Self-Regulatory Organization of Canada (referred to herein as the “Corporation”) adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules. Pursuant to Mutual Fund Dealer Rule 1A and s.14.6 of By-Law No.1 of the Corporation, contraventions of former MFDA regulatory requirements may be enforced by the Corporation.