



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

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULESⁱ
and
Ryan Todd Small**

ORDER

(ARISING FROM AN SETTLEMENT HEARING ON FEBRUARY 23, 2023)

WHEREAS on December 7, 2022, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Settlement Hearing pursuant to section 24.4 of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.4) in respect of a disciplinary hearing against Ryan Todd Small (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA dated December 5, 2022 (the “Settlement Agreement”), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to sections 20 and 24.1 of MFDA By-law No. 1 (now Mutual Fund Dealer Rules 7.3 and 7.4.1);

AND WHEREAS on January 1, 2023, the MFDA and the Investment Industry Regulatory Organization of Canada (“IIROC”) consolidated to form the New Self-Regulatory Organization of Canada (the “Corporation”);

AND WHEREAS based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

(a) between June 2017 and December 2020, the Respondent engaged in unapproved outside activities when:

- (i) he solicited clients and other individuals to invest in an investment which he had a direct interest in and which was not approved for sale by the Member; and
- (ii) he incorporated a company and acted as a director for the company, without the knowledge or approval of the Member

contrary to the Member's policies and procedures and MFDA Rules 1.3.2, 2.1.1 and 1.1.2 (as it relates to MFDA Rule 2.5.1) [now Mutual Fund Dealer Rules 1.3.2, 2.1.1, 1.1.2 and 2.5.1]; and

(b) between October 2020 and December 2020, the Respondent solicited clients and other individuals to invest in an investment which was not approved for sale by the Member, thereby engaging in securities related business that was not carried on for the account of the Member or through the facilities of the Member, contrary to MFDA Rules 1.1.1, 2.1.4,¹ 2.1.1 and 1.1.2 (as it relates to Rule 2.5.1) [now Mutual Fund Dealer Rules 1.1.1, 2.1.4(b), 2.1.1, 1.1.2 and 2.5.1].

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

1. The Respondent is prohibited from conducting securities related business while in the employ of or associated with a Dealer Member registered as a mutual fund dealer (formerly Members of the MFDA) for a period of 5 years, pursuant to s. 24.1.1(e) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(e));

2. The Respondent shall pay a fine in the amount of \$20,000 in certified funds on the date of this Order, pursuant to s. 24.1.1(b) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(b));

3. The Respondent shall pay costs in the amount of \$5,000 in certified funds on the date of this Order, pursuant to s. 24.2 of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.2); and

¹ On June 30, 2021, amendments to MFDA Rule 2.1.4 came into effect. As the conduct addressed in this proceeding pre-dated the amendment to the Rule, the contravention of MFDA Rule 2.1.4 that is addressed in this proceeding is of the version of MFDA Rule 2.1.4 that was in effect between February 27, 2006 and June 30, 2021.

4. If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by the Corporation’s Privacy Policy, then the Corporate Secretary’s Office, Mutual Fund Dealer Division of the Corporation shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

DATED this 23rd day of February, 2023.

“Frederick W. Chenoweth”

Frederick W. Chenoweth
Chair

“Samuel Mah”

Samuel Mah
Industry Representative

“Craig Woolford”

Craig Woolford
Industry Representative

DM 904536

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, MFDA By-law No. 1 continues to be applicable to this proceeding and 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.