



**CIRO · OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

**Settlement Agreement**

**File No. 202311**

**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES<sup>i</sup>  
and  
Autumn Kaylee Farmer**

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**SETTLEMENT AGREEMENT**

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**I. INTRODUCTION**

1. The Canadian Investment Regulatory Organization, a consolidation of IIROC and the MFDA (“CIRO”), will announce that it proposes to hold a hearing (the “Settlement Hearing”) to consider whether, pursuant to Mutual Fund Dealer Rule 7.4.4.3, a hearing panel of the Nova Scotia District Hearing Committee (the “Hearing Panel”) of CIRO should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of CIRO (“Staff”) and Autumn Kaylee Farmer (the “Respondent”).
2. Staff and the Respondent consent and agree to the terms of this Settlement Agreement.
3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

## II. CONTRAVENTIONS

4. The Respondent admits to the following violations of the Mutual Fund Dealer Rules:<sup>1</sup>

- a) Between August 2020 and October 2020, the Respondent signed the electronic signatures of five clients on 14 account forms and submitted the forms to the Member for processing, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1); and
- b) In October 2020, the Respondent misled the 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).

## III. TERMS OF SETTLEMENT

5. Staff and the Respondent agree and consent to the following terms of settlement:

- (a) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any Member of CIRO registered as a mutual fund dealer for a period of 12 months, commencing on the date that this Settlement Agreement is accepted by a Hearing Panel, pursuant to Mutual Fund Dealer Rule 7.4.1.1(e);
- (b) the Respondent shall pay costs ("Costs") in the amount of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.2;
- (c) the Respondent shall pay a fine ("Fine") in the amount of \$5,000 in certified funds pursuant to Mutual Fund Dealer Rule 7.4.1.1(b) in twelve equal monthly installments of \$416.67 per month, commencing on or before the

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<sup>1</sup>At the time of the conduct addressed in this proceeding, MFDA Rule 2.1.1 was in effect and is now incorporated into Mutual Fund Dealer 2.1.1 referred to in this proceeding.

last business day of the month following the date of acceptance of the Settlement Agreement and thereafter;

- (d) if the Respondent fails to make any of the payments of the Costs and Fine described above in subparagraphs (b) and (c) when the payments become due, then any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to CIRO;
- (e) the Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1); and
- (f) the Respondent shall attend by videoconference on the date set for the Settlement Hearing.

6. Staff and the Respondent agree to the settlement on the basis of the facts set out in this Settlement Agreement herein, and consent to the making of an Order in the form attached as Schedule "A".

#### **IV. AGREED FACTS**

##### **Registration History**

7. In or around May 2019, the Respondent became registered in the securities industry.

8. 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 CIRO, formerly a Member of the MFDA.

9. Effective November 18, 2020, the Dealer Member terminated the Respondent as a result of the conduct described herein, and the Respondent is not currently registered in the securities industry in any capacity.

10. At all material times, the Respondent conducted business in the Kentville, Nova Scotia area.

### **The Respondent Signed Client Signatures**

11. At all material times, the Dealer Member's policies and procedures prohibited Approved Persons from signing client signatures.
12. 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.
13. The account forms consisted of:
  - a) five Transfer Authorization for Registered Investments Forms;
  - b) three Tax Free Savings Account Application Forms;
  - c) three Investment Selector Overview Forms;
  - d) one Investment Account Application Form;
  - e) one Investment Directions Form; and
  - f) one Registered Account Application Form.

### **Misleading the Dealer Member**

14. On or about September 24, 2020, the Dealer Member received information that the Respondent had improperly signed electronic signatures.
15. The Dealer Member commenced an investigation into the Respondent's conduct and discovered some of the account forms described above.
16. As part of its investigation, the Dealer Member conducted an interview of the Respondent on October 20, 2020, during which the Respondent falsely denied having signed electronic signatures of clients on account forms.
17. During a subsequent interview by the Dealer Member on November 9, 2020, the Respondent admitted to signing the electronic signatures of clients.

18. As part of its investigation, the Dealer Member contacted all impacted clients and determined that the clients authorized the underlying transactions or, in one instance, the client advised the Dealer Member that the underlying transaction was opened due to a misunderstanding. The impacted clients subsequently attended the branch to properly sign new documentation.

19. On November 18, 2020, the Dealer Member terminated the Respondent.

### **Additional Factors**

20. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above, beyond the commissions or fees to which the Respondent would have been ordinarily entitled to had the transactions been carried out in the proper manner.

21. There is no evidence of client loss, nor evidence that the underlying transactions were unauthorized, and no clients complained to Staff or the Dealer Member.

22. The Respondent states that the Respondent has a modest income, no significant assets or property and carries outstanding liabilities, including an outstanding line of credit that is near its limit as well as student loans. Given the Respondent's limited financial means, the Respondent states that the Respondent is unable to pay a monetary penalty that is greater than the total set out in this Settlement Agreement. The Respondent has provided evidence to Staff to corroborate these claims and financial circumstances.

23. The Respondent has not previously been the subject of MFDA or CISO disciplinary proceedings.

24. By entering into this Settlement Agreement, the Respondent has saved CISO the costs associated with conducting a full hearing on the merits.

## **V. ADDITIONAL TERMS OF SETTLEMENT**

25. This settlement is agreed upon in accordance with Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure.

26. The Settlement Agreement is subject to acceptance by the Hearing Panel. At or following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. Settlement Hearings are typically held in the absence of the public pursuant to Mutual Fund Dealer Rule 7.3.5 and Rule 15.2(2) of the Mutual Fund Dealer Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at [www.mfda.ca](http://www.mfda.ca).

27. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise agreed, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence, upon the effective date of the Settlement Agreement.

28. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

- (a) the Settlement Agreement will constitute the entirety of the evidence to be submitted at the settlement hearing, subject to Rule 15.3 of the Mutual Fund Dealer Rules of Procedure;
- (b) the Respondent agrees to waive any rights to a full hearing, a review hearing or appeal, including before the Board of Directors of CISO or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction;

- (c) except for any proceedings commenced to address an alleged failure to comply with this Settlement Agreement, Staff will not initiate any proceeding under the Mutual Fund Dealer Rules against the Respondent in respect of the facts and contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any facts and contraventions that are not set out in this Settlement Agreement, whether known or unknown at the time of settlement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations;
- (d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to Mutual Fund Dealer Rule 7.4.1.1 for the purpose of giving notice to the public thereof in accordance with Mutual Fund Dealer Rule 7.4.5; and
- (e) neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement. Nothing in this section is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against the Respondent.

29. If this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under Mutual Fund Dealer Rule 7.4.3 against the Respondent based on, but not limited to, the facts set out in this Settlement Agreement, as well as the breach of the Settlement Agreement. If such additional enforcement action is taken, the Respondent agrees that the proceeding(s) may be heard and determined by a hearing panel comprised of all or some of the same members of the Hearing Panel that accepted the Settlement Agreement, if available.

30. If, for any reason, this Settlement Agreement is not accepted by the Hearing Panel, each of Staff and the Respondent will be entitled to any available proceedings, remedies and challenges, including proceeding to a disciplinary hearing pursuant to Mutual Fund

Dealer Rules 7.3 and 7.4, unaffected by the Settlement Agreement or the settlement negotiations.

31. The terms of this Settlement Agreement will be treated as confidential by the parties hereto until accepted by the Hearing Panel, and forever if, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel, except with the written consent of both the Respondent and Staff or as may be required by law. The terms of the Settlement Agreement, including the attached Schedule “A”, will be released to the public if and when the Settlement Agreement is accepted by the Hearing Panel.

32. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile or electronic copy of any signature shall be as effective as an original signature.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Autumn Kaylee Farmer

\_\_\_\_\_  
Witness - Signature

\_\_\_\_\_  
Witness - Print name

\_\_\_\_\_  
Staff of CIRO  
Per: Charles Toth  
Canadian Investment Regulatory Organization, Vice-President, Enforcement  
(Mutual Fund Dealers)

<sup>i</sup> 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 that is called the Canadian Investment Regulatory Organization (referred to herein as “CIRO”) and is recognized under applicable securities legislation. CIRO 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

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immediately prior to amalgamation. Pursuant to Mutual Fund Dealer Rule 1A and s. 14.6 of By-law No. 1 of CIRO, contraventions of former MFDA regulatory requirements may be enforced by CIRO.



**Schedule “A”**

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

**and**

**Autumn Kaylee Farmer**

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**ORDER**

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**WHEREAS** on March 27, 2023 the New Self-Regulatory Organization of Canada, now called the Canadian Investment Regulatory Organization (“CIRO”) issued a Notice of Hearing pursuant to Mutual Fund Dealer Rules 7.3 and 7.4 in respect of a disciplinary proceeding commenced against Autumn Kaylee Farmer (the “Respondent”);

**AND WHEREAS** appearances were held electronically by videoconference before a hearing panel of the Nova Scotia District Hearing Committee of CIRO (the “Hearing Panel”) in this matter on May 5, 2023 and July 27, 2023;

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of CIRO dated September 9, 2023 (the “Settlement Agreement”), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to Mutual Fund Dealer Rules 7.3 and 7.4.1;

**AND WHEREAS** on March 27, 2023, CIRO provided notice to the public of a Settlement Hearing in respect of the Respondent;

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

- a) Between August 2020 and October 2020, the Respondent signed the electronic signatures of five clients on 14 account forms and submitted the forms to the Member for processing, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1); and
- b) In October 2020, the Respondent misled the 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).

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

1. The Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any Member of CIRO registered as a mutual fund dealer for a period of 12 months, commencing on the date that this settlement agreement is accepted by a Hearing Panel, pursuant to Mutual Fund Dealer Rule 7.4.1.1(e);
2. The Respondent shall pay costs ("Costs") in the amount of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.2;
3. the Respondent shall pay a fine ("Fine") in the amount of \$5,000 in certified funds pursuant to Mutual Fund Dealer Rule 7.4.1.1(b) in accordance with the following schedule:
  - i. \$416.67 (fine) on or before [Date];
  - ii. \$416.67 (fine) on or before [Date];
  - iii. \$416.67 (fine) on or before [Date];
  - iv. \$416.67 (fine) on or before [Date];
  - v. \$416.67 (fine) on or before [Date];

- vi. \$416.67 (fine) on or before [Date];
- vii. \$416.67 (fine) on or before [Date];
- viii. \$416.67 (fine) on or before [Date];
- ix. \$416.67 (fine) on or before [Date];
- x. \$416.67 (fine) on or before [Date];
- xi. \$416.67 (fine) on or before [Date]; and
- xii. \$416.67 (fine) on or before [Date];

4. If the Respondent fails to make any of the payments of Costs and Fine described above in paragraphs (2) and (3) when the payments become due, then any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to CIRO;

5. The Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1); and

6. 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 CIRO's Privacy Policy, then the Corporate Secretary's Office, Mutual Fund Dealer Division of CIRO 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 [day] day of [month], 2023.

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Name,  
Chair

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Name,  
Industry Representative

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Name,  
Industry Representative