



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

Order

File No. 202221

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULESⁱ
and
Patricia May Sonne**

ORDER

WHEREAS on May 3, 2022, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 (now Mutual Fund Dealer Rules 7.3 and 7.4) in respect of a disciplinary proceeding commenced against Patricia May Sonne (the “Respondent”);

AND WHEREAS the first appearance in this hearing was held electronically by videoconference on July 21, 2022 during which the hearing on the merits was scheduled to occur on January 30 and 31, 2023;

AND WHEREAS on January 1, 2023, the MFDA and the Investment Industry Regulatory Organization of Canada (“IIROC”) consolidated to form a new self-regulatory organization now called the Canadian Investment Regulatory Organization (“CIRO”);

AND WHEREAS on January 27, 2023, the Respondent brought a motion for an adjournment, and with the consent of Staff of CIRO (“Staff”), the hearing panel of the Ontario District Hearing Committee (the “Hearing Panel”) granted the adjournment and directed the hearing on the merits be held electronically by videoconference on March 9 and 10, 2023;

AND WHEREAS on March 9, 2023, the hearing on the merits commenced before the Hearing Panel electronically by videoconference;

AND WHEREAS on March 9, 2023, Staff and the Respondent entered into an agreed statement of facts (the “Agreed Statement of Facts”) in which the Respondent admitted to facts and contraventions for which the Respondent could be disciplined pursuant to s. 20 and 24.1 of MFDA By-law No. 1 (now Mutual Fund Dealer Rules 7.3 and 7.4);

AND UPON reading the Agreed Statement of Facts, the written submissions of Staff and the Respondent, and upon hearing the oral submissions of Staff and the Respondent, the Hearing Panel is of the opinion that on the basis of the admissions in the Agreed Statement of Facts:

Between October 13, 2015 and September 24, 2019, the Respondent obtained, possessed and in some instances used to process transactions, 31 pre-signed account forms in respect of 7 clients;

IT IS HEREBY ORDERED THAT:

1. The Respondent is prohibited from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer for a period of two years commencing on the date of this Order, 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 of \$2,500, 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, pursuant to s. 24.2 of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.2);
4. The payment by the Respondent of the fine and costs shall be made to and received by CIRO in certified funds as follows:
 - a. \$937.50 (\$312.50 (fine) and \$625 (costs)) on or before March 4, 2024;

- b. \$937.50 (\$312.50 (fine) and \$625 (costs)) on or before June 4, 2024;
 - c. \$937.50 (\$312.50 (fine) and \$625 (costs)) on or before September 4, 2024;
 - d. \$937.50 (\$312.50 (fine) and \$625 (costs)) on or before December 4, 2024;
 - e. \$937.50 (\$312.50 (fine) and \$625 (costs)) on or before March 4, 2025;
 - f. \$937.50 (\$312.50 (fine) and \$625 (costs)) on or before June 4, 2025;
 - g. \$937.50 (\$312.50 (fine) and \$625 (costs)) on or before September 4, 2025;
 - h. \$937.50 (\$312.50 (fine) and \$625 (costs)) on or before December 4, 2025;
- and

5. 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 intimate financial and personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

DATED this 4th day of December, 2023.

"Joan Smart"

Joan Smart,
Chair

"Guenther Kleberg"

Guenther Kleberg,
Industry Representative

"Casimir Litwin"

Casimir Litwin,
Industry Representative

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 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 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.