



CASE SUMMARY # 201519

May 18, 2016

MFDA Case Summary

Enforcement

This case summary was prepared by Staff of the MFDA.

Hearing Panel Imposes Penalties on Terry William Sukman

Terry William Sukman (the “Respondent”) has been registered in Ontario as a mutual fund salesperson with Investors Group Financial Services Inc. (“Investors Group”) since July, 1986. The Respondent entered into an Agreed Statement of Facts with MFDA Staff on April 15, 2016.

In the Agreed Statement of Facts the Respondent agreed to a statement of the events which culminated in the disciplinary proceeding against him. A summary of this information is provided here. The Respondent had a client who was elderly, financially unsophisticated and a novice investor. She was also in a state of declining health. Beginning in 2011 the client approached the Respondent about the Respondent becoming her Power of Attorney (“POA”) for property as well as executor and partial beneficiary of her estate. The client asked the Respondent if he knew of a lawyer, and in about August 2012 the Respondent took the client to meet with a lawyer the Respondent knew. After another meeting between the client and the lawyer, which the Respondent also took the client to, the Respondent was appointed as POA for the client’s property. The Respondent was also appointed as POA for personal care along with another individual.

On August 1, 2012 the client executed her will and designated the Respondent as (a) estate trustee, executor and trustee of the client’s Will; (b) beneficiary of a \$10,000 legacy in lieu of executor fees; and (c) beneficiary of any residue of her estate. The Respondent stated that he was not aware until the MFDA’s investigation that he was appointed POA for personal care and beneficiary of any residue in the client’s estate. (Those facts did not form part of the allegations against the Respondent.) The Respondent did not disclose to Investors Group that he accepted and held a POA from the client or that he was named in any capacity in the client’s Will.

On or about January 17, 2013 the client notified the Respondent that she wanted to leave her Investors Group assets to him in the event of her death. The Respondent arranged to transfer the client’s accounts to a new advisor, believing that this would resolve any conflict of interest

between him and the client as a result of this arrangement. The Respondent did not advise Investors Group or his Branch Manager of this. At a meeting attended by the new advisor, the Respondent and the client signed Investors Group forms that added the Respondent as the sole beneficiary of the client's RRSP and TFSA accounts, and which made the Respondent joint owner with the client on a new non-registered account.

In the Agreed Statement of Facts, the Respondent admitted that between August 2012 and May 2013 he held a POA for property from a client, and was appointed as estate trustee, executor, and trustee of the client in her Will, contrary to MFDA Rules 2.3.1, 2.1.4 and 2.1.1. The Respondent also admitted that between August 2012 and May 30, 2013 he was a beneficiary of a \$10,000 legacy in lieu of executor fees, in the Will of the client, contrary to MFDA Rules 2.1.4 and 2.1.1. The Respondent also admitted that in January 2013 he accepted a joint ownership in one account and a designation of two accounts held by the client at Investors Group, contrary to MFDA Rules 2.1.4 and 2.1.1.

The Hearing Panel determined that the allegations set out in the Notice of Hearing against the Respondent were proven to the requisite degree by the Respondent's admission in the Agreed Statement of Facts. The Hearing Panel imposed the following penalties against the Respondent: (i) a prohibition on the Respondent's authority to conduct securities related business while in the employ of or associated with any MFDA Member for a period of one year; (ii) a fine of \$10,000; and (iii) costs of \$2,500.

NOTICE: This case summary has been prepared by Staff of the MFDA, based upon the previously published Decision and Reasons of an MFDA Hearing Panel presiding over this matter. Every effort is made to ensure that this case summary accurately reflects the content of the Decision and Reasons. However, where there is a discrepancy between this case summary and the Decision and Reasons, the Decision and Reasons will prevail.

DM #484061