



CASE SUMMARY # 201529

January 15, 2016

MFDA Case Summary

Enforcement

This case summary was prepared by Staff of the MFDA.

Hearing Panel Imposes Penalties on Murray Harold Wellman and Michael John Wellman

Murray Harold Wellman (“Respondent MHW”) was registered with FundEX Investments Inc. (“FundEX”) in Ontario from March 19, 2002 and British Columbia from July 20, 2004. He was also registered in Newfoundland and Labrador from June 19, 2007 to December 24, 2009. He retired on December 31, 2013. Michael John Wellman (“Respondent MJW”) was registered as a mutual fund salesperson with FundEX in Ontario since March 19, 2002 and British Columbia since October 10, 2008. In a Settlement Agreement with MFDA Staff, Respondent MHW and Respondent MJW (collectively, the “Respondents”) admitted that between about April 2011 and October 2013, they altered risk tolerances, investment objectives, or investment instructions recorded on seven account forms in respect of six clients, contrary to MFDA Rule 2.1.1. The Respondents also admitted that between January 2011 and April 2013 they obtained, maintained, and in some instances, used to process trades, 29 pre-signed account forms, and one pre-signed cheque in respect of 16 clients, contrary to MFDA Rule 2.1.1. The Respondents also admitted that on February 21, 2013 they processed a trade in a client account without documenting the client’s authorization of the trade, contrary to MFDA Rule 2.1.1. The Hearing Panel approved the Settlement Agreement and imposed the following penalties against each of the Respondents: (i) a fine of \$10,000; and (ii) costs of \$1,000.

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 #462959