



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Jade Truman Kaiser Mason

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (the “MFDA”) will announce that it proposes to hold a hearing to consider whether, pursuant to s. 24.4 of MFDA By-law No. 1, a hearing panel of the Atlantic Regional Council of the MFDA (the “Hearing Panel”) should accept the settlement agreement entered into between Staff of the MFDA (“Staff”) and the Respondent, Jade Truman Kaiser Mason (the “Settlement Agreement”).

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent’s activities. The investigation disclosed that the Respondent had engaged in activity for which the Respondent could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No. 1.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule “A”.

4. Staff and the Respondent agree that the terms of this Settlement Agreement, including the attached Schedule “A”, will be released to the public only if and when the Settlement Agreement is accepted by the Hearing Panel.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV herein for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to Part IX) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

IV. AGREED FACTS

Registration History

6. The Respondent was registered in the province of Nova Scotia as a mutual fund salesperson with Sun Life Financial Investment Services (Canada) Inc. (“Sun Life”) from October 12, 2006 until February 15, 2010, at which time he was terminated by the Member as a result of the events described herein.

7. At all material times, the Respondent was also licensed to sell life insurance through Sun Life Financial Distributors (Canada) Inc. (“SLFDI”), a related company of the Member.

8. Sun Life has been a Member of the MFDA since February 14, 2002.

Falsifying Client Signatures and Falsely Signing as a Witness

General facts applicable to all clients

9. In May of 2009, SLFDI personnel identified irregularities with respect to a client's signature on an insurance document pertaining to a client for whom the Respondent provided insurance services. Sun Life's investigation department (which provides investigation services to both Sun Life and SLFDI) initiated an investigation and reviewed client account documents for both life insurance and mutual fund clients whose accounts were serviced by the Respondent. The investigation revealed signature irregularities on client account documents belonging to a total of 33 clients, ten of whom were mutual fund clients.

10. Sun Life sent letters to the ten mutual fund clients enclosing copies of the client account documents containing the signature irregularities. Five of the mutual fund clients responded to Sun Life confirming that they had not placed their signatures on some of the client account documents. The five mutual fund clients were clients AC, JC, IC, TL and DJ.

11. During an interview with Sun Life staff, the Respondent admitted that he had falsified the signatures of four of the clients, AC, JC, IC and TL, on client account documents and then submitted those documents to Sun Life for processing after first obtaining permission from the clients to sign the client account documents on their behalf.

12. In each case, the Respondent states that he falsified the clients' signatures due to his work volume and, in some instances, as a matter of convenience because of the geographical distance between his office the location of the clients. Further, in some instances, the Respondent states that he falsified a client's signature in order to rectify deficiencies or errors with, or irregularities in the filing of, previous versions of the documents which the Respondent claims were signed by the clients.

13. Sun Life contacted all five of the affected clients and reviewed the forms at issue with them. Each client stated that the forms at issue were consistent with the client's intentions. Neither Sun Life nor MFDA Staff are aware of any client complaints relating to the falsified client signatures.

Particulars of the falsified client signatures

Client AC

14. The Respondent falsified the signature of client AC on two client account documents:
 - a. Education Savings Plan Form for Electronic signature, dated May 22, 2008; and
 - b. Limited Trade Authorization form, dated May 22, 2008.

15. In addition to falsifying client AC's signatures on the two client account documents described above, the Respondent also signed as the witness to client AC's signature on the Limited Trade Authorization form dated May 22, 2008 (which the Respondent had falsified). The Respondent therefore falsely witnessed client AC's signature on the document.

Client IC

16. The Respondent falsified the signature of client IC on two client account documents:
 - a. Tax-Free Savings Account form for electronic signature dated May 5, 2007; and
 - b. Limited Trade Authorization form dated May 5, 2007.

17. In addition to falsifying client IC's signatures on each of the two client account documents described above, the Respondent also signed as the witness to client IC's signature on the Limited Trade Authorization form dated May 5, 2007 (which the Respondent had falsified). The Respondent therefore falsely witnessed client IC's signature on the document.

Client TL

18. The Respondent falsified the signature of client TL on four client account documents:
 - a. Education Savings Plan Form for Electronic Signature (Account #1);
 - b. Limited Trade Authorization form (Account #1);

- c. Education Savings Plan Form for Electronic Signature (Account #2); and
- d. Limited Trade Authorization form (Account #2).

19. In addition to falsifying client TL's signatures on the four client account documents described above, the Respondent also signed as the witness to client IC's signatures on each of the Limited Trade Authorization forms listed above (which the Respondent had falsified). The Respondent therefore falsely witnessed client TL's signature on the document.

Clients DJ and GJ

20. The Respondent falsified the signature of Client DJ on the following account document:

- a. Signature Form for Electronic Application dated December 5, 2007 (the "Signature Form")

21. This document also contains the purported signature of client DJ's spouse, client GJ, whose signature the Respondent also falsified.

22. The Respondent falsified client GJ's signature on another document that:

- a. Limited Trade Authorization form dated December 5, 2007.

23. The Respondent also signed as the witness to client GJ's signature on the Limited Trade Authorization form dated December 5, 2007 (which the Respondent had falsified). The Respondent therefore falsely witnessed client GJ's signature on the document.

24. Effective February 15, 2010, Sun Life terminated the Respondent for falsifying client signatures.

Mitigating Factors

25. The Respondent has not been the subject of a previous MFDA disciplinary proceeding.

The Respondent's Representations

26. The Respondent regrets the contravention of MFDA Rules that are described in this Settlement Agreement.

V. CONTRAVENTIONS

27. The Respondent admits that between October 12, 2006 and February 15, 2010, failed to observe high standards of ethics and conduct in the transaction of business contrary to MFDA Rule 2.1.1 by:

- a. falsifying the signatures of at least five clients on a total of at least 10 client account documents; and
- b. falsely signing as a witness to three client's signatures on four client account documents where he also falsified the clients' signatures on the documents.

VI. TERMS OF SETTLEMENT

28. The Respondent agrees to the following terms of settlement:

- a. the Respondent shall pay a fine in the amount of \$2,500, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
- b. the Respondent shall pay costs in the amount of \$2,500, attributable to the investigation and settlement of this matter, pursuant to section 24.2 of MFDA By-law No. 1;
- c. the Respondent shall be prohibited from conducting securities related business while in the employ of, or associated with a Member of the MFDA for a period of six months from the date of the Order, pursuant to section 24.1.1.(e) of MFDA By-law No. 1;
- d. the Respondent shall in the future comply with all MFDA By-laws, Rules and Policies, and all applicable securities legislation and regulations made thereunder, including MFDA Rule 2.1.1; and
- e. the Respondent shall attend the Settlement Hearing in person.

VII. STAFF COMMITMENT

29. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts set out in Part IV and the contraventions described in Part V of this Settlement Agreement, subject to the provisions of Part IX below. 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 Parts IV and V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the contraventions set out in Part V, 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.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

30. Acceptance of this Settlement Agreement shall be sought at a hearing of the Atlantic Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent.

31. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the settlement hearing. Staff and the Respondent also agree that if this Settlement Agreement is accepted by the Hearing Panel, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive his rights to a full hearing, a review hearing before the Board of Directors of the MFDA 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.

32. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, then the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with s. 24.5 of By-law No. 1.

33. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, 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 it him.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

34. 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 section 24.3 of the By-laws of the MFDA against the Respondent based on, but not limited to, the facts set out in Part IV of the 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.

X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

35. If, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel or an Order in the form attached as Schedule "A" is not made 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 sections 20 and 24 of By-law No. 1, unaffected by this Settlement Agreement or the settlement negotiations.

36. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the MFDA of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

XI. DISCLOSURE OF AGREEMENT

37. 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.

38. Any obligations of confidentiality shall terminate upon acceptance of this Settlement Agreement by the Hearing Panel.

XII. EXECUTION OF SETTLEMENT AGREEMENT

39. This Settlement Agreement may be signed in one or more counterparts, which together, shall constitute a binding agreement.

40. A facsimile copy of any signature shall be effective as an original signature.

Dated: March 8, 2012

“Rachelle Richards”
Witness – Signature

“Jade Mason”
Jade Truman Kaiser Mason

Rachelle Richards
Witness - Print name

“Shaun Devlin”
Staff of the MFDA
Per: Shaun Devlin
Vice-President, Enforcement



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Jade Truman Kaiser Mason

ORDER

WHEREAS on March 8, 2012, the Mutual Fund Dealers Association of Canada ("MFDA") issued a Notice of Settlement Hearing pursuant to s. 24.4 of By-law No. 1 in respect of Jade Truman Kaiser Mason ("Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA dated March 8, 2012 (the "Settlement Agreement"), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to ss. 20 and 24.1 of By-law No. 1 ("Settlement Agreement");

AND WHEREAS the Hearing Panel is of the opinion that the Respondent between October 12, 2006 and February 15, 2010, failed to observe high standards of ethics and conduct in the transaction of business contrary to MFDA Rule 2.1.1 by:

- a. falsifying the signatures of at least five clients or a total of at least ten client account documents; and;

- b. falsely signing as a witness to three client's signatures or four client account documents where ha also falsified clients' signatures on the documents.

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

1. the Respondent shall pay a fine in the amount of \$2,500, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

2. the Respondent shall pay costs in the amount of \$2,500, attributable to the investigation and settlement of this matter, pursuant to section 24.2 of MFDA By-law No. 1;

3. the Respondent shall be prohibited from conducting securities related business while in the employ of, or associated with a Member of the MFDA for a period of six months from the date of the Order, pursuant to section 24.1.1.(e) of MFDA By-law No. 1.

4. if at any time a non-party to this proceeding requests production of, or access to, any materials filed in, or the record of, this proceeding, including all exhibits and transcripts, then the MFDA Corporate Secretary shall not provide copies of, or access to, the requested documents to the non-party without first redacting from them any and all intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA Rules of Procedure.

DATED this [day] day of [month], 20[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]