



**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: Thomas Charles Bulloch**

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**SETTLEMENT AGREEMENT**

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**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 section 24.4 of By-law No. 1, a hearing panel of the Central Regional Council (the “Hearing Panel”) of the MFDA should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and the Respondent, Thomas Charles Bulloch.

**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 XI) 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. From December 1, 1987 to February 1, 2011, the Respondent was registered as a mutual fund salesperson with Sun Life Financial Investment Services (Canada) Inc. or its predecessors (“Sun Life” or the “Member”). The Respondent retired at the end of April 2010 and the Respondent’s Advisor Agreement with the Member accordingly ended effective May 1, 2010. However, the Respondent remained registered and held the title of Associate Advisor to oversee the transition of his client roster to new Sun Life advisors. Transfer of the Respondent’s clients was completed in early 2011 and the Respondent formally resigned from Sun Life effective February 1, 2011.

7. At all material times, the Respondent carried on business in and around Orangeville, Ontario.

8. Sun Life Financial Services (Canada) Inc. has been a MFDA Member since January 11, 2002

### **Seaquest Corporation and Seaquest Capital Corporation**

9. Sometime in 2006, the Respondent was contacted by an individual named DH. DH was the Senior Vice-President, Corporate Finance of Harris Brown & Partners Inc. (“Harris Brown”). At Harris Brown, DH promoted various investment products offered by, among others: Seaquest Corporation (“Seaquest”); Seaquest Capital Corporation (“Seaquest Capital”); Business Finance and Credit Corporation (“BFCC”); MMI Capital Corporation (“MMI Capital”) and Environmatrix Technologies Inc. (“Environmatrix”).

10. Seaquest and Seaquest Capital were privately owned finance companies that provided demand loans, bridge loans, trade credit facility programs and other forms of financing to businesses that required capital and were unable to obtain temporary financing from traditional lenders, such as banks.

11. In addition, Seaquest Capital had two subsidiaries: MMI Capital and BFCC. MMI Capital provided structured subordinated and mezzanine debt for management buyouts, acquisitions, expansion, restructuring and recapitalizations and BFCC offered asset-based financing for equipment, machinery and real estate.

12. DH invited the Respondent to visit the offices of Harris Brown in order to meet some of the other members of the firm. The Respondent was subsequently asked, and agreed, to provide Harris Brown with a group benefits plan for its employees.

13. In April 2007, Secure Benefit Solutions (“SBS”), a company controlled by the Respondent, invested \$100,000 in an investment product offered by Seaquest Capital which paid interest at 12% per annum for a six month term. This initial investment was subsequently rolled

over and increased to \$200,000. SBS continued to invest with Seaquest Capital until redeeming its entire account in or around April 2009. Beginning in June 2008, the Respondent also personally invested an additional \$200,000 in Seaquest Capital which was redeemed in or around February 2011 to resolve a family dispute.

14. In 2009, DH left Harris Brown and became the Managing Director of Seaquest Global Corporation.

**Clients FB and LP**

15. The Respondent had been the mutual fund sales person responsible for servicing the accounts of the parents of FB and LP at Sun Life, on and off, for almost 20 years. FB and LP are sisters. FB did not become a client of Sun Life until late 2007, as described below. LP was an existing client of Sun Life.

16. On or about October 1, 2007, the mother of FB and LP died. As part of their inheritance, FB and LP each received \$250,000 and each of their respective children received \$100,000 as well. FB has 3 children and LP has 2 children. The funds inherited by FB and LP and their children were the proceeds of a joint life insurance policy bought by their parents with the Respondent acting as agent on that sale.

17. In late 2007, FB directed Sun Life to pay the death benefit proceeds from the joint life insurance policy into a Sun Life money market account. The Respondent was the salesperson responsible for FB's money market account at Sun Life. This was the first occasion on which FB had been a Sun Life client serviced by the Respondent.

18. From October 16, 2007 to November 2, 2007, FB made the following purchases in her Sun Life account using some of the monies she and her children had inherited:

<b>Date of Purchase:</b>	<b>Account No.</b>	<b>Fund Purchased:</b>	<b>Amount of Purchase:</b>
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16-Oct-07	OPEN Account	CI Money Market FE	\$251,122.19 <sup>1</sup>
2-Nov-07	OPEN Account	CI Money Market FE	\$250,095.75
2-Nov-07	ITF JB	CI Money Market FE	\$100,038.30
2-Nov-07	ITF CB	CI Money Market FE	\$100,038.30
2-Nov-07	ITF CHB	CI Money Market FE	\$100,038.30

19. From June 12, 2007 to November 2, 2007, client LP made the following purchases in her Sun Life account with the monies she inherited as well as some of her own monies:

<b>Date of Purchase:</b>	<b>Account No.</b>	<b>Fund Purchased:</b>	<b>Amount of Purchase:</b>
12-Jun-07	OPEN Account	CI Global Balanced Corp. Class	\$110,000
16-Oct-07	OPEN Account	CI Short-Term Corporate Class	\$251,122.19 <sup>2</sup>
2-Nov-07	OPEN Account	CI Money Market Fund	\$250,095.75

20. Sometime after clients FB and LP purchased the investments described in the charts above, they re-attended at the Respondent's office to discuss what other investment products were available to them.

21. The Respondent advised clients FB and LP that Sun Life had various guaranteed investment products and mutual funds, however, neither client FB nor client LP were interested in the investment products presented by the Respondent. It was at this time that the Respondent suggested that FB and LP contact DH to obtain more information about the investment opportunities that he (DH) could provide. The Respondent informed clients FB and LP that he had invested in some of the investment products offered by DH.

22. Sun Life had not previously approved any of the Seaquest, MMI or BFCC products for sale by its Approved Persons, including the Respondent. All of the sales or referrals of these products by the Respondent to clients and other individuals, as described in detail below, were not processed for the account or through the facilities of Sun Life.

<sup>1</sup> These funds are derived from the proceeds of a RRIF and not related to the joint insurance policy.

<sup>2</sup> These funds are derived from the proceeds of a RRIF and not related to the joint insurance policy.

23. At all material times, MFDA Rule 2.4.2 prohibited the Respondent from entering into a referral arrangement between the Respondent in his personal capacity and any of Seaquest, Seaquest Capital, MMI Capital or BFCC. Any such referral arrangement was required to be between Sun Life and the other entity and be subject to the requirements of MFDA Rule 2.4.2 and sections 13.7 and 13.8 of National Instrument 31-103. Sun Life did not have a referral arrangement with any of Seaquest, Seaquest Capital, MMI Capital or BFCC.

24. After their meeting with the Respondent, clients FB and LP contacted DH to discuss possible investment opportunities.

25. The Respondent did not attend the individual meetings that clients FB and LP arranged with DH. After meeting DH, clients FB and LP redeemed most of their investments in their accounts at Sun Life in order to invest in products offered by Seaquest or Seaquest Capital.

26. From November 30, 2007 through to September 2011, clients FB and LP continuously rolled over their initial Seaquest or Seaquest Capital investments and also invested new monies in investment products presented by DH.<sup>3</sup> The Respondent maintained his own notes or records of FB's and LP's ongoing investments and, in the course of contacting them from time to time about their Sun Life accounts would remind them on occasion that one of Seaquest or Seaquest Corporation investments was coming due. The table below lists the investments purchased by clients FB and LP from Seaquest or Seaquest Capital starting on November 30, 2007:

<b>Client Name:</b>	<b>Date of Purchase:</b>	<b>Product Purchased:</b>	<b>Amount of Purchase: (entries marked with asterisk [*] are reinvestments)</b>	<b>Referral Fee Received:</b>
FB	12-Dec-07	Seaquest Corporation Series A Debenture - ITF CHB	\$100,000	\$9,275
	12-Dec-07	Seaquest Corporation Series A Debenture - ITF JB	\$100,000	

<sup>3</sup> Of all the investments made by clients LP and FB and client FB in trust for her children, only CHB redeemed his investment one year after his mother, client FB, made on his behalf. CHB received \$108,000 (the original investment plus interest earned) and did not make any further investments in Seaquest or Seaquest Capital.

	12-Dec-07	Seaquest Corporation Series A Debenture - ITF CB	\$100,000	
	12-Dec-07	Seaquest Corporation Series A Debenture	\$360,000	
	29-Aug-08	Seaquest Promissory Note	\$100,000	
	27-Nov-10	Seaquest Corporation Series A Debenture - ITF JB	\$214,000*	
	12-Dec-10	Seaquest Capital Corporation Debenture	\$350,000*	
FB & JW <sup>4</sup>	30-Dec-08	Seaquest Promissory Note	\$50,000	
	28-Feb-09	Seaquest Promissory Note	\$100,000*	
LP	30-Nov-07	Seaquest Promissory Note	\$200,000	\$22,500 [Only \$19,900 received]
	30-Nov-07	Enviromatrix Technologies Inc. Series A Debenture	\$200,000	
	21-Oct-08	Seaquest Promissory Note	\$150,000*	
	15-Oct-09	Seaquest Promissory Note	\$150,000*	
	30-Nov-09	Seaquest Promissory Note	\$200,000*	
	29-Sep-10	BFCC Debenture	\$50,000	
	15-Oct-10	Seaquest Promissory Note	\$150,000*	
	17-Dec-10	BFCC Debenture	\$60,000	
	17-Jun-10	BFCC Debenture	\$60,000*	
	30-Apr-11	Seaquest Capital Corporation Series A Debenture	\$130,000	
	1-Feb-11	BFCC Debenture	\$25,000	
	29-Mar-11	BFCC Debenture	\$50,000	
	30-Sep-11	Seaquest Capital Corporation Series A Debenture	\$130,000*	

27. As a result of the investments made by clients FB and LP in Seaquest or Seaquest Capital, the Respondent received approximately \$29,175 in referral fees or other compensation.

### **Sales or referrals to other clients and individuals**

28. On July 11, 2013, as part of an investigation into his activities as a mutual fund salesperson, MFDA Staff (“Staff”) conducted an interview of the Respondent. During the interview, the Respondent advised Staff that he referred a total of 16 individuals to DH and Seaquest or Seaquest Capital. Of the 16 individuals referred to DH and Seaquest or Seaquest Capital, at least 5 were mutual fund clients of Sun Life.

<sup>4</sup> JW was not a client of the Member.

29. From December 2007 to September 2011, the 16 individuals referred to DH and Seaquest or Seaquest Capital by the Respondent invested approximately \$7,336,181.88 [\$3,576,399.44 excluding reinvestments] in investment products offered by Seaquest or Seaquest Capital and the Respondent received referral fees or other compensation in the total amount of approximately \$50,274.01 (inclusive of the \$29,175 paid to him in respect of client FB and LP's investments). The Respondent received referral fees or other compensation on the initial and subsequent investments made by the Member clients or individuals who invested in Seaquest or Seaquest Capital.

30. Of the mutual fund clients referred to DH and Seaquest or Seaquest Capital by the Respondent, it appears that only client LP and client FB withdrew monies from their accounts at Sun Life to purchase investments from Seaquest or Seaquest Capital. The investments made by the 16 individuals the Respondent referred to DH and Seaquest or Seaquest Capital are set out in the table below:

<b>Name</b>	<b>Client of Sun Life at time of Referral:</b>	<b>Date of Investment</b>	<b>Investment Product</b>	<b>Amount (entries marked with asterisk [*] are reinvestments)</b>	<b>Referral fee/ compensation</b>
KA	No	27-Jul-11	Seaquest Capital Corporation Series A Debenture	\$150,000	\$2,625 [Funds never received]
		27-Jul-11	BFCC Debenture	\$100,000	
FB	Yes	12-Dec-07	Seaquest Corporation Series A Debenture - ITF CHB	\$100,000	\$9,275
		12-Dec-07	Seaquest Corporation Series A Debenture - ITF JB	\$100,000	
		12-Dec-07	Seaquest Corporation Series A Debenture - ITF CB	\$100,000	
		12-Dec-07	Seaquest Corporation Series A Debenture	\$360,000	
		29-Aug-08	Seaquest Promissory Note	\$100,000	
		27-Nov-10	Seaquest Corporation Series A Debenture - ITF JB	\$214,000*	
		12-Dec-10	Seaquest Capital Corporation Debenture	\$350,000*	
FB & JW	Yes - FB No - JW	30-Dec-08	Seaquest Promissory Note	\$50,000	
		28-Feb-09	Seaquest Promissory Note	\$100,000*	
JC	Yes	06-Aug-08	Seaquest Corporation Promissory Note	\$300,000	\$7,200 [Only \$2700 received]
		06-Aug-09	Seaquest Corporation	\$300,000*	



			Promissory Note		
		06-Aug-10	Seaqest Corporation Promissory Note	\$300,000*	
		06-Aug-11	Seaqest Corporation Promissory Note	\$300,000*	
LDL & LDL	No	05-May-08	Seaqest Corporation Promissory Note	\$96,000	\$480
HW (CM)	No	27-Nov-07	Seaqest Corporation Promissory Note	\$55,000	\$2,225.91
		04-Jun-08	Seaqest Corporation Promissory Note	\$55,000*	
		03-Dec-08	Seaqest Corporation Promissory Note	\$60,000*	
		03-Jun-09	Seaqest Corporation Promissory Note	\$63,000	
		03-Dec-09	Seaqest Corporation Promissory Note	\$67,416	
		03-Jun-10	Seaqest Corporation Promissory Note	\$73,483.44	
		03-Dec-10	Seaqest Corporation Promissory Note	\$78,994.70*	
		03-Jun-11	Seaqest Corporation Promissory Note	\$84,919.30*	
GM	No	07-Jan-09	MMI Capital Corporation	\$50,000	\$2,250
		07-Jan-10	BFCC Debenture	\$50,000*	
		02-Feb-11	BFCC Debenture	\$50,000*	
		22-Mar-11	BFCC Debenture	\$50,000	
CM	Yes	04-Jul-08	Seaqest Corporation Promissory Note	\$25,000	\$1,972.32 [Only \$1,722.32 received]
		14-Nov-08	Seaqest Promissory Note	\$27,000*	
		14-Mar-09	Seaqest Promissory Note	\$29,160*	
		20-Feb-09	Seaqest Promissory Note	\$30,000	
		19-Jun-09	Seaqest Promissory Note	\$25,000	
		14-Jul-09	Seaqest Promissory Note	\$31,492.80*	
		14-Nov-09	Seaqest Promissory Note	\$34,012.22*	
		14-Mar-10	Seaqest Promissory Note	\$36,052.95*	
		14-Jul-10	Seaqest Promissory Note	\$47,855.60*	
		14-Nov-10	Seaqest Promissory Note	\$50,248.38*	
		14-Mar-11	Seaqest Promissory Note	\$62,760.80*	
LP	Yes	30-Nov-07	Seaqest Promissory Note	\$200,000	\$22,500 [Only \$19,900 received]
		30-Nov-07	Enviromatrix Technologies Inc. Series A Debenture	\$200,000	
		21-Oct-08	Seaqest Promissory Note	\$150,000*	
		15-Oct-09	Seaqest Promissory Note	\$150,000*	
		30-Nov-09	Seaqest Promissory Note	\$200,000*	
		29-Sep-10	BFCC Debenture	\$50,000	
		15-Oct-10	Seaqest Promissory Note	\$150,000*	

		17-Dec-10	BFCC Debenture	\$60,000	
		17-Jun-10	BFCC Debenture	\$60,000*	
		17-Apr-11	Seaquest Capital Corporation Series A Debenture	\$130,000	
		01-Feb-11	BFCC Debenture	\$25,000	
		29-Mar-11	BFCC Debenture	\$50,000	
		30-Sep-11	Seaquest Capital Corporation Series A Debenture	\$130,000*	
JR	No	08-Oct-08	MMI Capital Corporation Promissory Note	\$53,000	\$2,738.14
		08-Oct-09	MMI Capital Corporation Promissory Note	\$63,000*	
		05-Feb-10	BFCC Debenture	\$72,500*	
		05-Jun-10	BFCC Debenture	\$74,675*	
		05-Dec-10	BFCC Debenture	\$77,755.35*	
WR	No	06-Oct-08	MMI Capital Corporation Promissory Note	\$62,500	\$2,832.64
		06-Oct-09	MMI Capital Corporation Promissory Note	\$70,125*	
		05-Feb-10	BFCC Debenture	\$72,500*	
		05-Jun-10	BFCC Debenture	\$74,975*	
		05-Dec-10	BFCC Debenture	\$77,755.34*	
PS	No	28-Jan-11	Seaquest Debenture	\$6,000	\$900
GSH & KSH	Yes	06-Nov-10	BFCC Debenture	\$200,000	\$3,000
WIM (GM)	No	12-Jan-11	BFCC Debenture	\$100,000	\$2,250
GJ	No	2009 [Exact Date NA]	MMI Capital Corporation	\$320,000	Unknown
JS	No	24-Feb-08	Seaquest Promissory Note	\$50,000	Unknown
		24-Apr-08	Seaquest Promissory Note	\$50,000	
		22-May-08	Seaquest Promissory Note	\$50,000	
		11-Jul-08	Seaquest Promissory Note	\$25,000	
		24-Aug-08	Seaquest Promissory Note	\$50,000* [Appears to be reinvestment]	
		11-Nov-08	Seaquest Promissory Note	\$25,000* [Appears to be reinvestment]	
<b>TOTALS:</b>				\$7,336,181.88	\$60,249.01
				<b>\$3,576,399.44<sup>5</sup></b>	<b>\$50,274.01<sup>6</sup></b>

<sup>5</sup> Excluding reinvestment amounts.

<sup>6</sup> Amount of referral fees actually received by the Respondent.

## **Bankruptcy of Seaquest and Seaquest Capital**

31. On May 1, 2010, the Respondent retired as an active mutual fund sales person, but remained registered in that capacity until February 1, 2011 to assist in the transition of his book of business.

32. In February 2011, the Respondent cashed out his investments in Seaquest Capital because he required the monies to resolve a family dispute.

33. On October 24, 2011, Seaquest and Seaquest Capital each delivered a Notice of Intention to file a proposal under the *Bankruptcy and Insolvency Act*.

34. On November 24, 2011, Seaquest and Sequest Capital were deemed to have filed an assignment in bankruptcy when they failed to file a restructuring proposal and a trustee was appointed to manage the estate of Seaquest and Seaquest Capital.

35. On November 29, 2011, in preparation for the first creditors meeting scheduled to be held on December 14, 2011, the trustee in bankruptcy filed its “Statement of Affairs” for Seaquest and Seaquest Capital listing liabilities of \$48,670,021.62 and assets of \$2,950,006. The Statement of Affairs listed 81 individuals and corporate investors as creditors. There is no reasonable prospect of investors in Seaquest or Seaquest Capital recovering all or substantially all of the principal amount of their investments.

36. On March 14, 2012, Staff received a METS event report (the “report”) filed by Sun Life regarding allegations that the Respondent had engaged in unauthorized outside business activities. The report stated that the Respondent and Sun Life had each been named as defendants in a Statement of Claim filed by clients FB and LP seeking compensation in respect of the loss of their investments with Seaquest and Seaquest Capital.

## **V. THE RESPONDENT'S POSITION**

37. The Respondent is 64 years old and had a long career with the Member and its predecessors prior to his retirement in May of 2010 and ultimate departure in February 2011. The Respondent has not previously been the subject of disciplinary proceedings with the MFDA or any other self-regulatory organization or regulator in any matters other than those described herein.

38. Prior to referring any parties to DH, Seaquest, BFCC or any other products offered by DH, the Respondent invested in Seaquest products both personally and through SBS as detailed above. The Respondent's dealings with DH were all concluded without issue.

39. The Respondent was not involved in the sale of any products offered by DH to any party other than providing the initial referral to DH and periodic reminders to certain of the clients' that their investments were maturing.

## **VI. CONTRAVENTIONS**

40. By engaging in the conduct described above, the Respondent made referrals in respect of the sale of approximately \$7,336,181.88 [\$3,576,399.44 excluding reinvestments] of investment products to at least 5 clients and 6 other individuals outside Sun Life, for which he received fees or compensation totaling approximately \$50,274.01, contrary to MFDA Rule 2.4.2 and sections 13.7 and 13.8 of National Instrument 31-103.

## **VII. TERMS OF SETTLEMENT**

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

(a) the Respondent shall pay a fine in the amount of \$25,000 pursuant to section 24.1.1(b) of MFDA By-law No. 1;

(b) the Respondent shall pay costs of \$5,000 pursuant to section 24.2 of MFDA By-law

No. 1;

- (c) the Respondent shall be permanently prohibited from conducting securities related business while in the employ of, or associated with, a Member of the MFDA;
- (d) the payment by the Respondent of the fine and costs in sections 1 and 2 above shall be made to and received by MFDA Staff in certified funds as follows:
  - i. \$12,500 (fine) upon entering into the settlement agreement;
  - ii. \$12,500 (fine) on or before December 31, 2014; and
  - iii. \$5,000 (costs) upon entering into the settlement agreement; and
- (e) the Respondent will attend in person, on the date set for the Settlement Hearing.

### **VIII. STAFF COMMITMENT**

42. 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 contraventions described in Part VI of this Settlement Agreement, subject to the provisions of Part X and XI 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 VI of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions set out in Parts IV and VI, 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.

### **IX. PROCEDURE FOR APPROVAL OF SETTLEMENT**

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

44. 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.

45. 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.

46. 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 him.

## **X. FAILURE TO HONOUR SETTLEMENT AGREEMENT**

47. 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.

## **XI. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT**

48. 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.

49. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that it 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.

## **XII. DISCLOSURE OF AGREEMENT**

50. 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.

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

## **XIII. EXECUTION OF SETTLEMENT AGREEMENT**

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

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

**DATED** this 15<sup>th</sup> day of September, 2014.

“Nancy J. Lyle”

\_\_\_\_\_  
Witness – Signature

Nancy J. Lyle

\_\_\_\_\_  
Witness – Print name

“Thomas Charles Bulloch”

\_\_\_\_\_  
Thomas Charles Bulloch

“Shaun Devlin”

\_\_\_\_\_  
Staff of the MFDA

Per: Shaun Devlin

Senior Vice-President,

Member Regulation – 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: Thomas Charles Bulloch**

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**ORDER**

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**WHEREAS** on [insert] the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Thomas Charles Bulloch (the "Respondent");

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of the MFDA, dated September 15, 2014, (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;

**AND WHEREAS** the Hearing Panel is of the opinion that the Respondent made referrals in respect of the sale of approximately \$7,336,181.88 [\$3,576,399.44 excluding reinvestments] of investment products to at least 5 clients and 6 other individuals outside Sun Life, for which he received fees or compensation totaling approximately \$50,274.01, contrary to MFDA Rule 2.4.2

and sections 13.7 and 13.8 of National Instrument 31-103;

**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 \$25,000;
2. the Respondent shall be permanently prohibited from acting or being registered as a mutual fund salesperson pursuant to section 24.1(e) of By-law No. 1 commencing on the date of acceptance of the Settlement Agreement;
3. the Respondent shall pay costs of \$5,000; and
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]