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: Adam Alexander Aleshka

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Adam Aleshka, consent and agree to settlement of this matter by way of this agreement (the “Settlement Agreement”).

2. Staff conducted an investigation of the Respondent’s activities which disclosed 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.

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.
4. The Respondent admits that, between February 20, 2012 and February 16, 2014, he obtained and used 29 pre-signed partially completed or photocopied versions of pre-signed partially completed forms in respect of 14 client accounts, contrary to MFDA Rule 2.1.1(c). Staff and the Respondent agree and consent to the following terms of settlement:

i) the Respondent shall pay a fine in the amount of $5,000, pursuant to section 24.1.1(b) of By-law No. 1;

ii) the Respondent shall pay costs in the amount of $2,500, pursuant to section 24.2 of By-law No. 1;

iii) the Respondent shall in the future comply with MFDA Rule 2.1.1(c); and

iv) the Respondent will attend in person, on the date set for the Settlement Hearing.

5. Staff and the Respondent agree to the settlement on the basis of the facts set out in Part III herein and consent to the making of an Order in the form attached as Schedule “A”.

III. AGREED FACTS

Registration History

6. Since January 16, 2004, the Respondent has been registered in Manitoba as a mutual fund salesperson (now known as a dealing representative) with Sterling Mutuals Inc. (“Sterling”), a Member of the MFDA.

Blank and Partially Completed Pre-Signed Account Forms

7. At all material times, Sterling's policies and procedures did not permit its Approved Persons to have account transfer forms executed by clients until they were fully completed or to revise account transfer forms that had already been executed.
8. Sterling’s policies and procedures also required that separate account transfer forms be executed for each account being transferred notwithstanding that the client was the same.

9. On approximately 28 occasions between February 20, 2012 and February 16, 2014 the Respondent, in respect of 14 client accounts, took one of the following actions:

   (a) obtained an executed account transfer form from a client that was not fully completed;

   (b) corrected information on a client account form that had already been executed; or

   (c) used a photocopy of an account transfer form completed by a client in respect of one account to process the transfer another account.

10. On one occasion during the same time period the, Respondent inserted information provided by a client in respect of an RESP withdrawal form after the client had signed the partially completed form.

**Member Response**

11. In about February or early March 2014, Sterling reviewed all of the client files maintained by the Respondent. Sterling did not detect any use of pre-signed account forms beyond those described in paragraphs 9 and 10, above.

12. On March 5, 2014, Sterling issued a letter of reprimand to the Respondent and placed him under strict supervision. Sterling is currently charging the Respondent a fee of 5% of his commissions earned in order to cover its costs of strict supervision. Sterling will cease charging the 5% fee at the conclusion of Staff’s proceeding against the Respondent. To date, the Respondent has paid approximately $19,244.21 in supervision fees as a result of the strict supervision requirements.
**Additional Factors**

13. The Respondent has been an Approved Person for more than 10 years and has no prior disciplinary history with the MFDA.

14. There is no evidence of misappropriation, unauthorized trading, or client harm in this matter.

15. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct beyond the commissions or fees to which the Respondent would have been ordinarily entitled had the transactions in the clients’ accounts been carried out in the proper manner.

16. The Respondent has cooperated fully with Staff during the course of the investigation, and by agreeing to this settlement, has avoided the necessity of a full hearing on the merits.

17. The Respondent has expressed remorse for his misconduct.

**IV. ADDITIONAL TERMS OF SETTLEMENT**

18. This settlement is agreed upon in accordance with section 24.4 of MFDA By-law No. 1 and Rules 14 and 15 of the MFDA Rules of Procedure.

19. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (the “Settlement Hearing”). At, or following the conclusion of, the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement.

20. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any
suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence, upon the effective date of the Settlement Agreement.

21. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

(a) the Settlement Agreement will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter;

(b) the Respondent waives any 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;

(c) Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts and the contraventions described in this Settlement Agreement. 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 this Settlement Agreement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations;

(d) 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; and

(e) 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 the Respondent.

22. If, for any reason, this Settlement Agreement is not accepted 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 the Settlement Agreement or the settlement negotiations.

23. Staff and the Respondent agree that the terms of the 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.

24. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile copy of any signature shall be effective as an original signature.

DATED this 5th day of October, 2015.

“Vanessa Aleshka”
Witness – Signature
Vanessa Aleshka
Witness – Print name

“Adam Aleshka”
Adam Aleshka

“Shaun Devlin”
Staff of the MFDA
Per: Shaun Devlin
Senior Vice-President,
Member Regulation – Enforcement
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: Adam Alexander Aleshka

ORDER

WHEREAS on [date], 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 Adam Aleshka (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (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, between February 20, 2012 and February 16, 2014, the Respondent obtained and used 29 pre-signed partially completed or photocopied versions of pre-signed partially completed forms in respect of 14 client accounts, contrary to MFDA Rule 2.1.1(c);
IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

1. 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;

25. the Respondent shall pay a fine in the amount of $5,000, pursuant to section 24.1.1(b) of By-law No. 1;

26. the Respondent shall pay costs in the amount of $2,500, pursuant to section 24.2 of By-law No. 1; and

27. the Respondent shall in the future comply with MFDA Rule 2.1.1(c).

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

Per: ____________________________

[Name of Public Representative], Chair

Per: ____________________________

[Name of Industry Representative]

Per: ____________________________

[Name of Industry Representative]