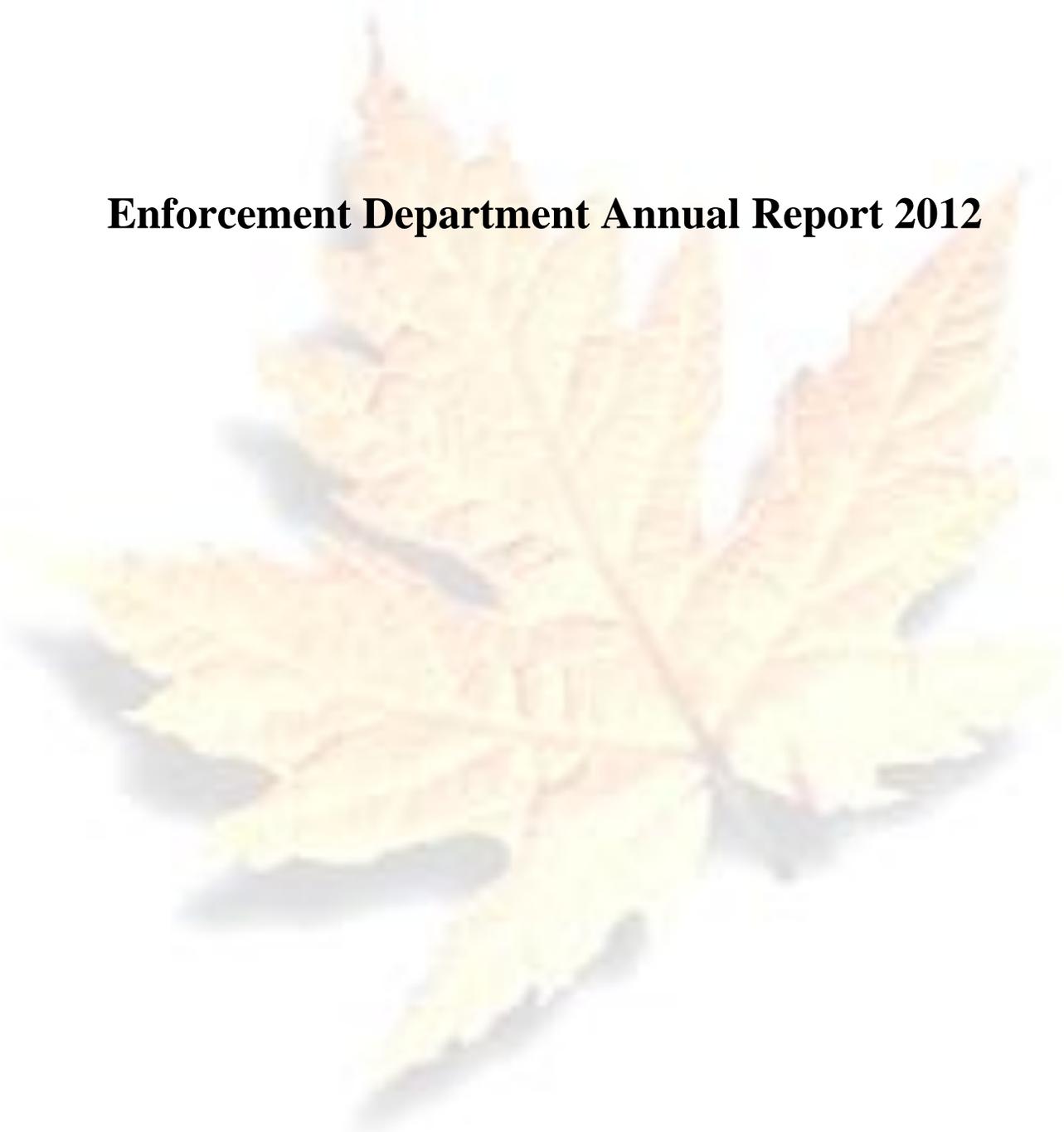




**Mutual Fund Dealers Association of Canada**  
Association canadienne des courtiers de fonds mutuels

## **Enforcement Department Annual Report 2012**



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## Message from the President & CEO

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I am pleased to introduce the first annual Enforcement report of the MFDA. The report has been developed to help promote awareness of our activities with a view to strengthening investor confidence in the MFDA and providing education to our Members, which are key goals of our 2012 – 2014 Strategic Plan. Expanding our communication of Enforcement activities is one of the ways in which we hope to deliver on our vision of fostering a culture of compliance, ethical behaviour and decision-making by Members and their Approved Persons.

Under our Strategic Plan, promoting compliance by Members and Approved Persons is an MFDA-wide effort, and our Enforcement Department works closely with our Compliance and Policy Departments in proactively addressing issues through education, training and outreach to Members. Our ultimate goal is that through those efforts, supported by a strong Enforcement presence, we can have a positive impact on the future incidence of non-compliance and on the protection of investors.

In assessing and investigating cases and conducting disciplinary hearings, we operate on several general principles – we take action that is firm, fair and transparent, we review cases with a view to identifying root causes and we work cooperatively with securities, insurance and other financial regulators and self-regulatory organizations.

Our case priorities continue to be leverage and investment suitability, outside business activity and abusive sales practices such as fraud, personal financial dealings and misrepresentation including the use of blank signed forms and alteration of client documents. We review Member supervision and fairness of complaint handling in every case, and we place a high priority on addressing cases and issues relating to seniors.

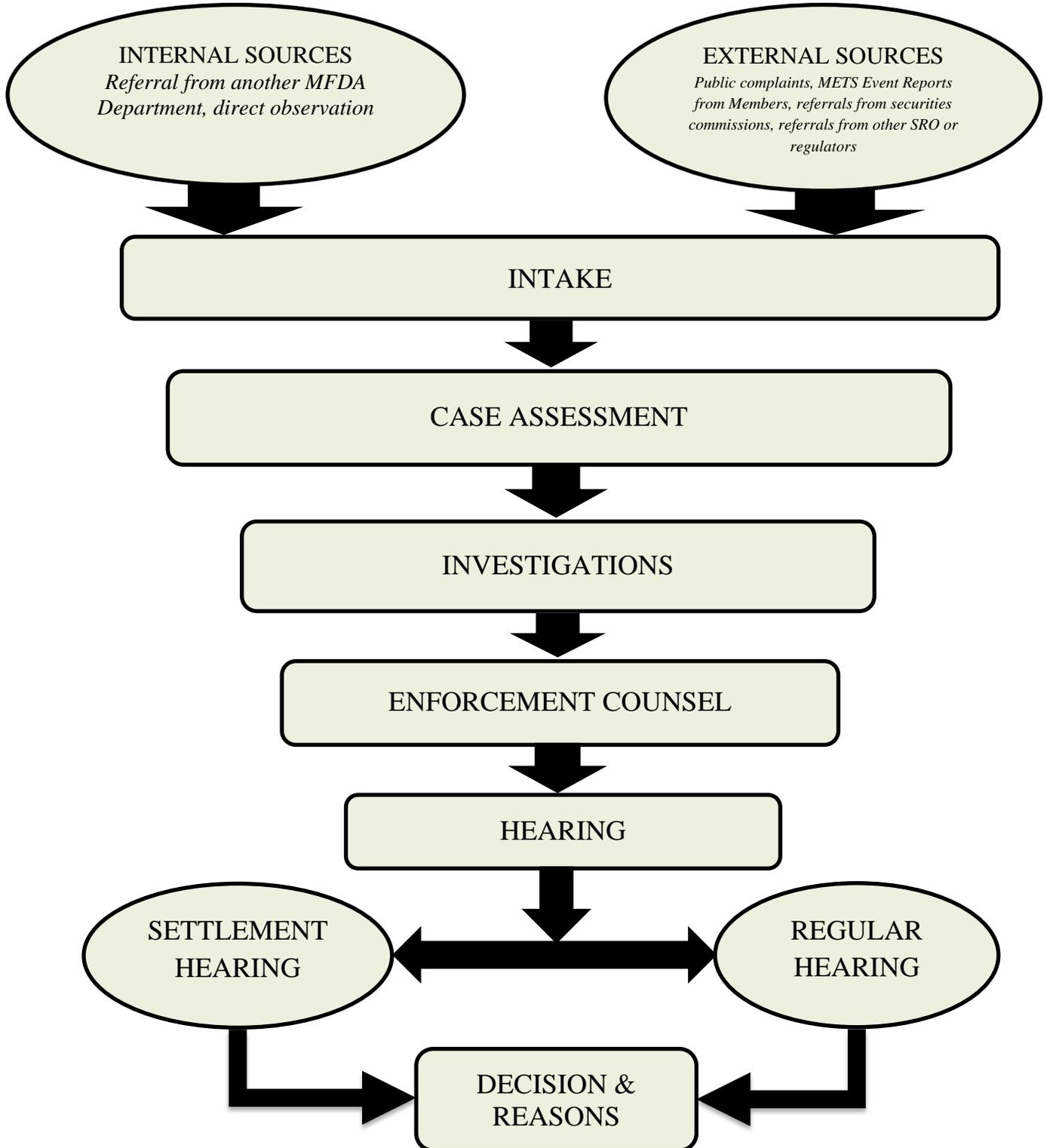
This report includes information about how the MFDA Enforcement Department operates and a description of key achievements in 2012, which include increasing the annual number of proceedings commenced and implementing fast track and bulk track procedures that increase our efficiency.

The report also summarizes several significant disciplinary cases as examples of the types of cases we pursue. We have also included statistical information about our cases, with links to further information that can be found on our website.

A handwritten signature in blue ink, appearing to read 'Mark Gordon', with a long horizontal stroke extending to the right.

Mark Gordon, President & CEO

## About Us



- Cases may be closed at any time in the Enforcement Process. Cases may be closed with no action, closed with an administrative resolution (e.g. a cautionary or warning letter), or referred to another MFDA Department or regulator.
- Case Screening occurs at intake, upon opening a case in Case Assessment, upon escalating or closing a case at Case Assessment, and periodically throughout the Enforcement Process.

### Case Assessment

The group receives information in various ways. The most common are complaints received from members of the public, internal referrals from the MFDA Compliance Department and reports from the Member Event Tracking System (“METS”) when Members receive a complaint or identify issues through their branch review programs and other supervisory activity. The Case Assessment group screens this information and opens cases where there is a possibility of a violation of MFDA requirements.

During 2012, the MFDA opened **seven** internal referrals, **198** public complaints and **230** METS events as cases, of which **105** in total were referred to the Investigations group. The table below summarizes the subject matter to which the primary allegation related in cases opened by the MFDA in 2012:<sup>1</sup>

January 1, 2012 to December 31, 2012	Number of cases	Percentage of total cases opened
Blank Signed Forms	75	16%
Suitability - Leveraging	60	13%
Suitability - Investments	47	10%
Falsification / Misrepresentation	44	9%
Commissions and Fees	35	7%
Outside Business Activities / Dual Occupation	29	6%
Business Standards	25	5%
Unauthorized / Discretionary Trading	20	4%
Policy & Procedures	18	4%
Complaint Procedure	15	3%
Personal Financial Dealings	14	3%
Forgery / Fraud / Theft / Misappropriation / Misapplication	13	3%
Sales Communication	12	3%
Transfer of Accounts	11	2%
Handling of Funds	9	2%
Conduct Unbecoming	8	2%
Supervision	8	2%
Provincial Securities Legislation	6	1%
Conflict of Interest	5	1%
Confidentiality / Privacy	4	Less than 1%
Financial Requirements	3	Less than 1%
Referral Arrangements	3	Less than 1%
Books / Records / Client Reporting	2	Less than 1%
Disclosure	2	Less than 1%
KYC Documentation Deficiency	2	Less than 1%
Acting Outside Registration Status	1	Less than 1%
Excessive Trading / Churning	1	Less than 1%
Reporting Violations	1	Less than 1%
Stealth Advising	1	Less than 1%

<sup>1</sup> The table records the main allegation made for all cases, whether or not MFDA Staff concluded that a violation occurred.

The Case Assessment group obtains further information on the cases that are opened and assesses whether there are grounds to believe a violation has occurred. Where there are such grounds, Case Assessment may deal with the matter by way of a Warning or Cautionary Letter or may escalate it to Investigations.

### Investigations

Case Assessment Staff escalates cases to the **Investigations** group where there are grounds to believe that there has been a substantial breach of MFDA requirements which may warrant formal disciplinary proceedings, or where the matter is sufficiently complex to require a more extensive review by an Investigator. The Investigations group conducts in-depth analysis of cases, including gathering documentation and conducting interviews with Members, Approved Persons and Complainants, where appropriate. Of the **105** cases investigated in 2012, **79** were referred to **Enforcement Counsel**, with a recommendation to commence formal disciplinary proceedings.

### Hearings

As part of its regulatory mandate, the MFDA is authorized to commence disciplinary proceedings against its Members and Approved Persons who have allegedly engaged in misconduct. All decisions by Staff to commence disciplinary proceedings are made by a committee composed of MFDA senior management.

Hearings are conducted in the region where the alleged misconduct occurred before a three person Hearing Panel which is responsible for determining whether any misconduct occurred and if so, whether any penalties should be imposed on the Member or Approved Person. Hearing Panels are usually comprised of two members of the MFDA Regional Council with securities industry experience and a “Chair” of the Hearing Panel, who is a retired judge or a lawyer with experience conducting disciplinary hearings.

There are two disciplinary hearing types; **regular** and **settlement**. At the conclusion of a regular hearing, the Hearing Panel issues written reasons for its decisions concerning misconduct and penalties. Possible penalties include fines, suspension or permanent prohibition. Hearing Panels exercise judgment and discretion and consider appropriate aggravating and mitigating factors in determining appropriate penalties in each case where misconduct has been found. The MFDA has Penalty Guidelines that set out the general principles and factors to be considered and criteria on the penalty types and ranges that may be appropriate for each offence type. [Further information on the MFDA Penalty Guidelines can be found on our website.](#)

If MFDA Staff or a Respondent believes that the decision of the Hearing Panel was incorrect or unfair, a review of the decision can be requested. In a case involving a Member, the decision can be reviewed by the Board of Directors of the MFDA, while in a case involving an Approved Person or a decision of the MFDA Board of Directors, the decision can be reviewed by the securities commission in the province where the hearing took place.

As an alternative, settlement discussions may be initiated at any time for the purpose of attempting to resolve the allegations of misconduct at a settlement hearing rather than a regular

hearing. Enforcement Staff and the Approved Person or Member can enter into a written Settlement Agreement that contains a description of the facts acceptable to both parties, an admission by the Respondent of misconduct and an agreement as to the penalties to be imposed on the Respondent. At the settlement hearing, a Hearing Panel will review the Settlement Agreement and hear the arguments of the parties to the settlement in support of the proposed terms of settlement. The Hearing Panel then determines whether the proposed settlement is reasonable and in the public interest. Reasons are written by the Hearing Panel if the settlement is accepted.

### **Cautionary and Warning Letters**

Where Case Assessment, Investigations or Enforcement Counsel is of the view that a violation of MFDA requirements has occurred, a case may be closed with an administrative resolution in lieu of formal proceedings. An administrative resolution typically consists of either a Cautionary Letter or a Warning Letter. Warning Letters are issued in circumstances where the violation is one that the MFDA could have escalated to a formal disciplinary hearing, but due to the existence of screening factors, has chosen not to. Cautionary Letters are issued when the violation is less serious in nature and one that the MFDA would not generally escalate to a formal disciplinary hearing. 135 cases were closed with the issuance of a Cautionary Letter in 2012 and 86 were closed with the issuance of a Warning Letter.

## Key Enforcement Activity in 2012

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### Hearings Commenced in 2012

The MFDA commenced **48** hearings in 2012, an increase from the **36** commenced in 2011. Most proceedings involved more than one alleged violation. The following table shows the subject matter to which the allegations related in these proceedings:<sup>2</sup>

Allegations by Notice of Hearing or Notice of Settlement Hearing issued in 2012	Approved Persons	Members
Outside Business Activities/Dual Occupation (includes Securities Related Business Outside the Member)	25	
Falsification / Misrepresentation (includes misleading a Member or Regulator)	23	1
Failure to Cooperate	18	
Personal Financial Dealings	11	
Policy & Procedures	6	1
Unauthorized / Discretionary Trading	5	
Blank Signed Forms	4	
Conduct Unbecoming	4	
Suitability - Leveraging	4	
Complaint Procedures	3	
Forgery / Fraud / Theft / Misappropriation / Misapplication	3	
Suitability - Investments	3	1
Conflict of Interest	2	
Disclosure	2	1
Know Your Product	2	1
Provincial Securities Legislation	2	
Stealth Advising	2	
Referral Arrangements	1	
Reporting Violations	1	
Supervision	1	1
<b>Total</b>	<b>122</b>	<b>6</b>
<b>Overall Total</b>	<b>128</b>	

### Hearings Concluded in 2012

The MFDA concluded **42** hearings in 2012. They resulted in fines of **\$330,000** and costs of **\$37,500** against current Members, as well as fines of **\$81,250** and costs of **\$23,500** against Approved Persons who are currently in the industry, 100% of which have been collected. The hearings completed in 2012 also resulted in fines of **\$3,197,500** and costs of **\$192,500** against Approved Persons who are no longer registered, of which **\$147,500**, or **4%**, has been collected to date. The MFDA has the ability to collect fines from Respondents who remain in the industry, but does not have the powers to collect fines from former Members or Approved Persons, except in the province of Alberta where Staff makes all reasonable collection efforts. Staff also pursues options for collecting costs from former Members or Approved Persons as applicable law may permit.

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<sup>2</sup> Not all proceedings commenced in 2012 have been concluded and allegations in ongoing proceedings have not been proven.

The table below shows the sanctions imposed against Approved Persons by Hearing Panels in hearings concluded in 2012:

Type of Sanction	Approved Persons
Total Fines	\$3,278,750
Total Costs	\$216,000
Permanent Prohibition	19
Suspension (ranging from one month to ten years)	13

As well as imposing fines, costs, permanent prohibitions and suspensions, Hearing Panels imposed other sanctions on Approved Persons in hearings concluded in 2012, such as a permanent prohibition from being registered or acting as a Branch Manager or in any supervisory capacity, and rewriting and passing an appropriate industry course acceptable to MFDA Staff prior to being reregistered in the mutual fund industry.

### Protection of seniors

Cases are screened at opening in Case Assessment and upon escalation to Investigations, as well as periodically throughout the rest of the Enforcement process. The MFDA revised its case screening guidelines in 2012 to move away from quantitative scorecards to focus on qualitative factors when screening cases. The revised case screening guidelines allow the MFDA to identify and prioritize complaints that involve **seniors** (defined as investors 60 years of age and over), as well as other vulnerable groups such as those with very limited financial resources or language, literacy or disability issues. This initiative is consistent with current investor protection concerns and the approach being taken by other financial regulators and self-regulatory organizations, and will result in a continued emphasis on addressing issues related to seniors in cases brought to formal disciplinary hearings going forward.

We conducted training for MFDA Staff and for Members, highlighting third party research on seniors which identified factors that might contribute to increased vulnerability of some seniors such as accessibility considerations, decision making processes and diminished capacity. The training also highlighted how aging might make some seniors more vulnerable to risks such as unsuitable advice, conflicts of interest, undue influence and financial abuse.

In 2012, approximately **30%** of the cases commenced involved vulnerable groups as victims. Examples of hearings completed in 2012 in relation to allegations which involved seniors included the following cases:

- **Chad Peters** falsified a senior client's signature on an account opening document in December 2010. He was prohibited from conducting securities related business for a period of two years and agreed to pay costs of \$1,000 at a settlement hearing held on March 19, 2012;
- **Bill Hseuh** engaged in securities related business outside of the Member between May and September 2008 by recommending and facilitating the transfer of mutual funds from a 66-year-old client's account to an online discount broker, then trading equity securities. He was

permanently prohibited from conducting securities related business and ordered to pay costs of \$2,500 at a hearing held on April 26, 2012;

- **Jose Bautista** had four occupations which were not disclosed to his employer Member, including as an officer and director of a product distribution and management company. Mr. Bautista solicited Member clients, including seniors, to invest in this company. He was permanently prohibited from conducting securities related business and ordered to pay a fine of \$150,000 and costs of \$7,500 at a hearing held on July 12, 2012; and
- **David Rounthwaite** engaged in discretionary trading in 29 instances in the accounts of 14 clients, including seniors. He agreed to pay a fine of \$20,000 and costs of \$5,000 at a settlement hearing held on July 16, 2012.

### Suitability – Member Supervision

The MFDA Enforcement and Compliance Departments have procedures in place for the referral to Enforcement of examination reports that identify significant supervisory deficiencies. Pursuant to those procedures, there were a total of 11 Members whose reports were escalated for trade or leverage supervisory deficiencies identified during MFDA Compliance’s third round of compliance examinations that took place between 2009 and 2011.

In 2012, Hearing Panels of the Central Regional Council of the MFDA approved Settlement Agreements between the MFDA and five of those 11 Members. The Respondents and the fines in each of the 2012 cases were as follows:

- **Independent Accountants’ Investment Group Inc.** (\$25,000);
- **FundEX Investments Inc.** (\$100,000);
- **Monarch Wealth Corporation,** (\$60,000);
- **W. H. Stuart Mutuals Ltd.** (\$45,000); and
- **Investia Financial Services Inc.** (\$100,000).

With regard to the remainder of the 11 third round referral cases, an additional five of those cases were concluded with settlement hearings in 2011 and the remaining case was resolved in a settlement hearing in early 2013. As a result of the overall efforts of the MFDA to improve the level of compliance by Members, including the prosecution of these cases, the number of significant deficiencies identified in the current fourth round of compliance examinations has decreased significantly.

**“The circumstances in this case are grave. The flagrant violation of some of the most important rules of professional conduct must be treated very seriously. Conduct such as that of the Respondent in this case strikes at the very heart of a regulatory system intended to protect members of the investing public”.**

MFDA Hearing Panel on  
Jose Bautista’s conduct,  
Toronto July 2012

### Suitability – Approved Persons

Dealing with individual suitability complaints remained a priority subject for the MFDA in 2012. The MFDA continues to receive complaints about suitability, the vast majority of which relate to recommendations made in 2008 or earlier when many Members did not have the same level of supervisory procedures in place that they do now. In addition to the proceedings against Members identified above, the MFDA commenced proceedings against several Approved Persons where leveraging was of significant concern because of the dollar amounts, the number of clients involved and misrepresentations by the Approved Person of the risks, features and suitability of the strategy, as in the case of Thomas Arseneau (which is summarized on Page 11).

### Simplified Formal Proceedings

Simplified Formal Proceedings, consisting of a fast track and a bulk track, were implemented in 2012. The fast track procedure allows cases to proceed to a disciplinary hearing on an expedited basis in circumstances where there may be a risk of ongoing harm to the public or the nature of the matter otherwise requires that it be handled expeditiously.

The bulk track procedure allows routine cases to be brought to a hearing using fewer resources, allowing the MFDA to increase its disciplinary response on certain types of cases that are of continuing concern, such as the use of blank signed trading or KYC forms by Approved Persons.

As demonstrated by the table appearing earlier in this report, the most common allegation type in cases opened in 2012 was blank signed forms. The two main sources were referrals of situations identified during MFDA Sales Compliance examinations and METS reporting by Members who identified situations through their branch review programs and other supervisory activity. The use of blank signed forms by Approved Persons, even if allegedly for the "convenience of clients" adversely affects the integrity and reliability of key documents such as KYC and trading forms and is also a common feature of fraud, misappropriation and unauthorized trading cases.

There are similar and more serious concerns with regard to forms where Approved Persons falsify client signatures using cut-and-paste or photocopied signatures or where the client signature is forged with or without the consent of clients.

The first bulk track hearings were both conducted in Toronto on October 11, 2012 before a single Hearing Panel. A Hearing Panel of the Central Regional Council of the MFDA approved Settlement Agreements with **Ian Peer**, after he admitted that he had falsified the initials of two clients on account documentation in June 2011, and with **Jacqueline Wise**, who admitted that she had falsified a client signature on an account document, also in June 2011.

### Member Education

Enforcement Staff conducted Member workshops on complaint handling and supervisory investigations, as well as additional training on METS. Staff also participated as speakers at training and educational events conducted by Members and outside organizations on topics such

as outside business activities, seniors' issues, branch supervision, complaint handling and processes and risk management for Approved Persons. The MFDA continued to provide coaching to Members on a case-by-case basis with regards to complaint handling to ensure investors are treated fairly.

### **Process Improvements**

In support of ensuring that the MFDA continues to identify opportunities for process efficiencies, information gathering procedures in the department's Case Assessment group were revised in 2012 to reduce the scope of document requests and to place greater reliance on the investigative efforts of Members in minor cases.

## Case Summaries

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Information on all current and completed Hearings can be found on the MFDA's website. The following is a representative sample of the types of significant 2012 Enforcement disciplinary cases:

**Leveraging Representations and Suitability** - Following a hearing on June 26 and 27, and July 31, 2012, a Hearing Panel of the Atlantic Regional Council of the MFDA in Fredericton found that between 2004 and 2007, **Thomas Arseneau** misrepresented, or failed to fully and adequately explain, the risks of leveraged investment recommendations that he made to at least 20 clients. Mr. Arseneau recommended a leveraged investment strategy to clients whereby they obtained investment loans in order to purchase return of capital ("ROC") mutual funds. The leveraged investment strategy he recommended was based on the premise that the ROC mutual funds would generate proceeds each month which would pay the costs associated with the investment loans, and clients would therefore not incur any out-of-pocket expenses with respect to the strategy.

In the course of recommending the leveraged investment strategy, Mr. Arseneau misrepresented or failed to explain the risks and benefits of the strategy as follows:

- He did not tell clients that there were any risks that the mutual funds might reduce or suspend the payment of distributions in the event that the mutual funds failed to generate sufficient returns. Commencing in December 2008, the ROC mutual funds purchased by the clients reduced distributions by approximately 40-70%;
- He told clients that their investment loans, which were typically amortized over a period of 20 years, would be paid off by the proceeds from the ROC mutual funds in approximately 7-12 years;
- He told clients that the ROC mutual funds purchased with the investment loans would continue to grow in value over time and, once the investment loans were repaid, the clients would own the underlying investments which would continue to generate proceeds for use by the clients. Mr. Arseneau did not tell the clients about any risk that the ROC mutual funds might decline in value over time, particularly if the clients did not reinvest the distributions they received. The ROC mutual funds purchased by the clients declined in value during the period at issue in this case; and
- He told the individual clients either that the leveraged investment strategy recommended was low risk or did not tell the clients that there were any risks associated with it.

**“The Panel is satisfied that by his conduct he has demonstrated that he ignored or had a total lack of understanding of his obligations as a registrant in the securities industry, or both”.**

MFDA Hearing Panel  
on Thomas Arseneau's  
conduct, Fredericton,  
June 2012

Based upon Mr. Arseneau's representations, his clients applied for, and obtained, investment loans totaling \$2,150,000. In addition to finding misconduct with regard to the representations, the Panel found that Mr. Arseneau made leveraged investment recommendations to clients which were not suitable and appropriate having regard to the relevant KYC factors including, but not limited to, the clients' ability to afford the costs associated with the investment loans.

Since this proceeding was among the first generation of MFDA cases addressing the suitability of leveraging strategies, MFDA Staff suggested that the penalties be sufficient to show strong disapproval of Mr. Arseneau's conduct and to deter others from engaging in similar improper activity. With regard to penalty, the Panel stated that suitability obligations are essential to the protection of the public and any failure to comply with these obligations is "an extremely serious matter". The Panel imposed a permanent prohibition and \$500,000 fine on Mr. Arseneau.

**Falsification of Client Signatures** - In Edmonton, a Hearing Panel of the Prairie Regional Council of the MFDA imposed a 12 month suspension on **Alex Khodorkovski** after it found that he had failed to observe high standards of ethics and conduct in the transaction of business by falsifying the signatures of two clients on four account documents following a hearing on October 23, 2012. The MFDA defines falsification as the false making or alteration of a document by which the rights and obligations of another person are affected but where the person is not deprived of a property or a right and considers the falsification of client signatures as falling well below the ethics and conduct expected of all registrants in the securities industry. In the case of Mr. Khodorkovski, the Panel stated that it was of the view that falsification is a "serious offence" even when it falls short of causing actual harm.

**Sale of Securities Outside Member** - In Regina, a Hearing Panel of the Prairie Regional Council of the MFDA imposed a permanent prohibition and a \$175,000 fine on **Lorne Piett** following a hearing on July 24, 2012, during which it was found that he had engaged in securities related business that was not carried on for the account and through the facilities of the Member by selling, recommending or facilitating the sale of three investment products to at least 10 clients between November 2008 and April 2009. The MFDA's rules on engaging in securities related business outside the Member create a regime whereby an Approved Person is only permitted to sell investment products that

**"In agreement with numerous other decisions dealing with the falsification of documents or signatures, we are of the view that it is a serious offence even when it falls short of causing actual harm. On its face it is a dishonest act which not only diminishes the integrity of a registrant but of the securities industry as a whole".**

MFDA Hearing Panel on  
Alex Khodorkovski's  
conduct, Edmonton,  
October 2012

have first been approved for sale by the Member (following appropriate product due diligence) and which are sold through the facilities of the Member. This ensures that the trading activity is subject to appropriate review and supervision.

**Misrepresentation** - In Calgary, a Hearing Panel of the Prairie Regional Council of the MFDA imposed a permanent prohibition and \$200,000 fine on **Russell Brower-Berkhoven** following a hearing on August 28, 2012 for accepting monies from a client and misleading the client into believing that he had opened an account for the client at the Member and was processing transactions in accordance with the client's instructions between August 2006 and November 2009, when in fact no account was opened.

**Borrowing from Clients** - Following a hearing on March 7, 2012, a Hearing Panel of the Pacific Regional Council of the MFDA in Vancouver found that **Conrad Nunweiler** had borrowed money totaling approximately \$56,300 from at least two clients between May 2006 and December 12, 2008. Borrowing from a client by either the Member or Approved Person raises a significant and direct conflict that in almost all cases will be impossible to resolve in favour of the client. Mr. Nunweiler also misled his Member dealer, by representing that he had not borrowed money from clients when he knew that to be an incorrect response as well as failing to cooperate with the MFDA's investigation into his conduct. The Panel found Mr. Nunweiler's conduct to be "egregious and reprehensible" and imposed a permanent prohibition and \$250,000 fine on him.

**"It is our view that the conduct of the Respondent in this matter is a serious regulatory violation. The MFDA Rules and Regulations are put in place for the protection of the clients, and the integrity of the industry generally. Specific clients as well as the public generally rely upon them when dealing with Member firms."**

MFDA Hearing Panel  
on Lorne Piatt's  
conduct, Regina July  
2012

**"It is patently obvious that facilitating investments by a client in your company, or borrowing money from a client is not the exercise of responsible business judgment in the best interests of the client"**

MFDA Hearing Panel  
on Conrad Nunweiler's  
conduct Vancouver,  
March 2012

## Looking Forward

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The MFDA will be implementing a formal process for making whistleblower reports, for example where Approved Persons or other parties identify wrongdoing occurring within a Member firm.

The MFDA intends to increase its participation at training and educational events conducted by Members and outside organizations on topics such as the suitability of leveraged recommendations and investor issues that impact seniors. The MFDA became a Member of the International Forum for Investor Education (“IFIE”) in 2012 and will be participating in IFIE’s 2013 Global Investor Education Conference.

## Resources

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### Our Website

Further information can be found on the MFDA's website, including with respect to the following areas:

- Guide to the Hearing Process;
- Penalty Guidelines;
- Enforcement Hearings (including Hearings Schedule, Current Cases, Completed Cases and Cases Under Review/Appeal);
- Hearing Procedures (including Rules of Procedure and Forms);
- Related By-Law Sections (Sections 18 – 26); and
- Enforcement Statistics.

### How to File a Complaint

Information on how to file a complaint about a Member or Approved Person can be found at <http://www.mfda.ca/investors/complaints.html>. Investors can complain electronically by emailing [complaints@mfda.ca](mailto:complaints@mfda.ca), by using the complaint form available on the website or by calling MFDA complaints at 416-361-6332 (toll-free: +1-888-466-6332).

### Other Resources

Any action taken by the MFDA will not include an order that investors be compensated for any financial losses they may have suffered. Additionally, the MFDA is unable to assist clients with civil claims. Investors who wish to pursue financial compensation may wish to consult with the Ombudsman for Banking Services and Investments ([www.obsi.ca](http://www.obsi.ca) or 1-888-451-4519).

In Canada, anyone trading securities or in the business of advising clients on such securities must be registered with the provincial or territorial securities regulator, unless an exemption applies. Check the National Registration Search for individuals outside Ontario or the Ontario Securities Commission Registrant List to find out if an individual or firm is registered in your province or territory and what product and services a firm or individual can offer or contact your provincial securities regulator. If you cannot find your advisor on these sites, he or she may be exempt from registration. If this is the case, contact your provincial securities regulator.

The CSA maintains a cross-jurisdictional Disciplined Persons List, which can be used to search for any disciplinary action taken against an individual by a provincial securities regulator or self-regulatory organization, including the MFDA.