



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: Nathalie Doiron

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 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, Natalie Doiron.

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. From August 1998 to March 2003, the Respondent was registered in Ontario as a mutual funds salesperson (now known as a dealing representative) with Investors Group Financial Services Inc. (“Investors Group”). Investors Group became a Member of the MFDA on February 8, 2002.

7. From March 2003 to November 1, 2015, the Respondent was registered in Ontario as a mutual fund salesperson with FundEX Investments Inc. or a predecessor company (“FundEX”), a Member of the MFDA.

8. The Respondent is not currently registered in the securities industry in any capacity.

9. At all material times the Respondent conducted business in Whitby, Ontario.

Misleading and Unapproved Communications

10. Between January 2011 and December 2013, client CG was a FundEX client whose investment accounts were serviced by the Respondent.

11. At all material times, FundEX's policies and procedures required its Approved Persons to ensure that any "advertisement" or "marketing piece" sent to clients did not contain untrue, false or misleading statements, or unjustified promises of specific investment performance or results.

12. FundEX also required its Approved Persons to obtain the approval of an individual designated by FundEX as being responsible for sales communications prior to providing an "advertisement" or "marketing piece" to clients or other individuals

13. The Respondent prepared and sent a number of communications to client CG about precious metals sector funds (the "Communications").

14. The Respondent states that the Communications were prepared on the basis of her own research and review of analysts' reports.

15. One of the Communications sent by the Respondent was a MS PowerPoint presentation dated January 2011 titled "A look at the stock market 2008 and beyond" which discussed a proposed investment strategy and stated, among other things:

- "Gold is expected to reach \$2500 an ounce, by 2013"
- Under the heading 'market expectations', the presentation indicated as follows: "Bull Market to commence late 2013 to 2015 and continue until 2020"
- Under the heading 'end results', indicated as follows: "2012 move all into cash and Gold. We're protected. Now wait"

- “Precious Metals (Gold, etc.) Funds, fell to \$2.62 in November 2008 and rose to \$5.36 six months later. Again, over 100% return. Will we see these opportunities again? Absolutely”

16. The Respondent did not seek, nor did she obtain, approval from an individual designated by FundEX as being responsible for sales communications prior to sending the Communication in paragraph 15 to client CG.

17. The Respondent also sent the following emails to client CG, which were “client communications” within the meaning of MFDA Rule 2.8.1:

- a) an email dated February 3, 2011 which discussed expected market conditions generally and made recommendations as to how best to plan for them, and which stated, among other things:

“I am also, at some point this year, going to switch into GOLD. Gold hit its high early January, at \$1440/ounce. It is in a correction now, and will go down to 1000/ounce sometime this year. Then, it will go up, sometime in 2011 to 2012, to \$2500/ounce. This is a HUGE opportunity for you to make gains. Gold does well in times of market panic and inflation which we will definitely have. [...] The next few years are going to be exciting, shocking, and most definitely, the opportunity of a lifetime. I will do all I can, to ensure you AT LEAST, double your portfolio values. This is my goal. I also attach my presentation for you, to get a better understanding of the markets 2008-2014. Please call me if you have any questions.”

- (b) an email dated June 5, 2012 which was sent in response to a request by client CG to withdraw monies and stated, among other things:

“If your concern is performance, I wish you would not be concerned with short term-you are predominantly in gold, bought somewhere in the low \$1700’s level, and gold’s long term target over the next two years, is \$5000.”

- (c) an email dated July 26, 2012 which stated, among other things:

“The good news is that we are very near to a bottom of the current correction and a new up-leg in the markets. Analysts believe that the S&P 500 index is to continue its bull move up to about 1535 by 2013. It is now 1350. We believe that Gold futures are expected to reach at least \$2500 an ounce. It is now around \$1600 an ounce. History shows us that almost every election year was very good for the markets. We have a US presidential election this fall. Ben Bernanke, Chairman of the US Federal Reserve, has stipulated that he is readt [sic] to implement another quantitative easing program, if needed, to boost the economy, and thereby, the markets. What we are seeing now, is a correction in the markets, and this is typical during the summer months. We see this correction every year, and just as the markets go down, they quickly rise again. Watch for the markets to begin their upturn this fall...another month. [...] I believe the markets will improve, and I am ready to make changes in the future, should we feel the need to. I hope this update brings you some reassurance and confidence, and please, always know that I am available to you at anytime – a phone call, a meeting, to discuss further.”

18. The Communications constituted a “sales communication” and “client communications” within the meaning of MFDA Rules 2.7.1 and 2.8.1. The Communications:

- a) omitted material facts or were otherwise misleading;
- b) contained unjustified promises of specific results;
- c) used unrepresentative statistics to suggest unwarranted or exaggerated conclusions, or failed to identify the material assumptions made in arriving at these conclusions;
- d) contained opinions or forecasts of future performance which were not clearly labeled as such; and/or
- e) failed to fairly present the potential risks to the client.

V. CONTRAVENTIONS

19. The Respondent admits that between January 2011 and December 2013, she sent client communications and a sales communication that was not approved by the Member, about precious metals sector mutual funds to client CG which:

- a) omitted material facts or were otherwise misleading;

- b) contained unjustified promises of specific results;
- c) used unrepresentative statistics to suggest unwarranted or exaggerated conclusions, or failed to identify the material assumptions made in arriving at these conclusions;
- d) contained opinions or forecasts of future performance which were not clearly labeled as such; and/or
- e) failed to fairly present the potential risks to the client.

contrary to MFDA Rules 2.7.2, 2.7.3, 2.8.2 and 2.1.1.

VI. TERMS OF SETTLEMENT

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

- a) The Respondent shall be prohibited from being registered as a dealing representative with a Member of the MFDA for a period of 6 months commencing on the date of acceptance of this Settlement Agreement, pursuant to section 24.1.1(e) of MFDA By-law No.1;
- b) Upon acceptance of this Settlement Agreement, the Respondent shall pay costs of this proceeding in the amount of \$2,500, pursuant to section 24.2 of MFDA By-law No. 1; and
- c) the Respondent will participate by teleconference or other available means at the Settlement Hearing to be scheduled.

VII. STAFF COMMITMENT

21. 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 facts and contraventions set out in Parts IV and 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

22. 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. MFDA Settlement Hearings are typically held in the absence of the public pursuant to section 20.5 of MFDA By-law No. 1 and Rule 15.2(2) of the MFDA Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.mfda.ca.

23. 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 her 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.

24. 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. 24.1.1 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.

25. 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 her.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

26. 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

27. 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.

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

29. 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.

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

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 21st day of August, 2018

“Nathalie Doiron”

Nathalie Doiron

“PS”

Witness – Signature

PS

Witness – Print Name

“Shaun Devlin”

Shaun Devlin
Staff of the MFDA
Per: Shaun Devlin
Senior Vice-President,
Member Regulation – Enforcement

Schedule “A”

**Order
File No.**



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**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: Nathalie Doiron

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 Natalie Doiron (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 January 2011 and December 2013, the Respondent sent client communications and a sales communication that was not approved by the Member, about precious metals sector mutual funds to a client which:

- a) contained untrue statements or omitted material facts or were otherwise misleading;
- b) contained unjustified promises of specific results;

- c) used unrepresentative statistics to suggest unwarranted or exaggerated conclusions, or failed to identify the material assumptions made in arriving at these conclusions;
- d) contained opinions or forecasts of future performance which were not clearly labeled as such;
- e) failed to fairly present the potential risks to the client; or
- f) were detrimental to the interests of the public, the MFDA or its Members;

contrary to MFDA Rules 2.7.2, 2.7.3, 2.8.2 and 2.1.1;

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, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the *MFDA Rules of Procedure*;

2. As of the date of this order, the Respondent is prohibited from being registered as a dealing representative with a Member of the MFDA for a period of 6 months, pursuant to section 24.1.1(e) of MFDA By-law No.1; and

3. The Respondent shall pay costs of this proceeding in the amount of \$2,500, pursuant to section 24.2 of MFDA By-law No. 1.

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

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]

DM 648719