



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: Risa Dee Andersen

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Risa Dee Andersen (the “Respondent”), 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 by 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 to the following violations of the By-laws, Rules or Policies of the Mutual Fund Dealers Association of Canada (“MFDA”):
 - a) between April 2014 and June 2017, the Respondent had and continued in outside business activities which were not disclosed to and approved by the Member,

contrary to the Member's policies and procedures and MFDA Rules 1.2.1(c) (now 1.3.2)¹, 2.1.1, and 2.5.1 and 1.1.2;

- b) between August 13, 2014 and June 1, 2017, the Respondent referred at least 4 clients and 5 individuals to purchase insurance products for which the Respondent received referral fees, contrary to the Member's policies and procedures, sections 13.7 to 13.10 of National Instrument 31-103, and MFDA Rules 2.1.1, 2.4.2, and 2.5.1 and 1.1.2;
- c) between April 2014 and June 2017, the Respondent conducted business of the Member using an unapproved trade name, contrary to the Member's policies and procedures and MFDA Rules 1.1.7(c), 2.5.1 1.1.2, and 2.1.1;
- d) from at least December 5, 2014 to June 2017, the Respondent issued unapproved advertisements and established a website, contrary to the Member's policies and procedures and MFDA Rules 2.7.3, 2.5.1, 1.1.2, and 2.1.1;
- e) in March 2017 and May 2017, the Respondent attached a copy of signature pages from account forms previously signed by clients to 14 new account forms to process transactions in respect of 3 clients, contrary to MFDA Rule 2.1.1;
- f) on February 24, 2017, the Respondent altered and used 1 account form to process a transaction without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and
- g) on or about March 15, 2017, the Respondent used an unauthorized email account to communicate with a client, contrary to the Member's policies and procedures and MFDA Rules 2.5.1, 1.1.2, and 2.1.1.

5. Staff and the Respondent agree and consent to the following terms of settlement:

- a) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ or associated with any MFDA Member for a period of 6 months from the date the Settlement Agreement is accepted pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

¹ On March 14, 2016, Rule 1.2.1(c) was revised and renumbered as Rule 1.3.2.

- b) the Respondent shall pay a fine in amount of \$25,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1, in instalments as follows:
 - (i) \$2,500, in certified funds upon acceptance of the Settlement Agreement;
 - (ii) \$3,750, on or before the last business day of the first month following the acceptance of the Settlement Agreement;
 - (iii) \$3,750, on or before the last business day of the second month following the acceptance of the Settlement Agreement;
 - (iv) \$3,750, on or before the last business day of the third month following the acceptance of the Settlement Agreement;
 - (v) \$3,750, on or before the last business day of the fourth month following the acceptance of the Settlement Agreement;
 - (vi) \$3,750, on or before the last business day of the fifth month following the acceptance of the Settlement Agreement;
 - (vii) \$3,750, on or before the last business day of the sixth month following the acceptance of the Settlement Agreement;
- c) the Respondent shall pay costs in the amount of \$2,500, in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No. 1;
- d) the Respondent shall in the future comply with MFDA Rules 1.1.7(c), 1.3.2, 2.1.1, 2.1.4, 2.4.2, 2.7.3, and 2.5.1 and 1.1.2 and ss. 13.7 to 13.10 of National Instrument 31-103; and
- e) the Respondent will attend in person on the date set for the Settlement Hearing.

6. 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

7. From February 27, 2014 to October 3, 2017, the Respondent was registered as a dealing representative with Sun Life Financial Investment Services (Canada) Inc. (“Sun Life”), a Member of the MFDA.

8. On October 3, 2017, Sun Life terminated the Respondent's registration, and she is not currently registered in the securities industry in any capacity.

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

Unapproved outside business activities

10. At all material times, Sun Life's policies and procedures prohibited Approved Persons from engaging in any business or occupation other than acting as an advisor for Sun Life, without its written consent.

11. At all materials time, Sun Life's policies and procedures prohibited Approved Persons from preparing client income tax returns, whether or not a fee is being charged.

12. In 2014, 2015, and 2016, the Respondent advised Sun Life during annual on-site inspection visits that she did not engage in any outside business activities.

13. While registered with Sun Life, the Respondent obtained approval to sell life insurance through Sun Life Financial Distributors (Canada) Inc.

14. Without disclosing to and obtaining prior approval from Sun Life, the Respondent carried on outside business activities as described below.

i. Wedding financial planning and financial coaching services

15. Between April 2014 and June 2017, the Respondent offered wedding financial planning and financial coaching services using the trade name "Financial Diva". Under the Financial Diva trade name, the Respondent offered advice concerning budgeting, saving, and registered savings plans. The Respondent also offered services as a wedding financial planner.

16. From at least December 5, 2014 to June 2017, the Respondent advertised her wedding financial planning and financial coaching services carried on under the name Financial Diva on internet websites.

17. The Respondent operated the website <<http://www.thefinancialdiva.ca>> on which the Respondent offered financial planning services, including advice on the use of Registered

Educational Savings Plans, Registered Retirement Savings Plans, and Tax Free Savings Account.

The Respondent described her services, in part, as follows:

As a financial professional that has worked many years with young couples, I have learned that there are many questions that need answering.

For example:

- How much should allocate [*sic*] to my RESP account?
- What about life insurance, should I start young or should I wait?
- Should I pay down my debt first or start saving?
- What is the best time to start saving?
- I need to simplify my budget is there a way that I can do that?

Basically, there are many financial questions that you have and many options that apply to each one. I make it my personal mission in life to take care of these things for you. But at the same time I like to make you completely aware of how your money can work for you rather than against you. I would love to be able to walk you through a scenario to help you make better decisions that fits you, your family and your lifestyle.

It won't take long to discuss the options with you, and there is never any charge for the consultation. Are you ready to book a no obligation appointment?

18. On a second website <<http://www.theweddingring.ca/the-financial-diva/>>, which was a wedding planning magazine website operated by a third party, the Respondent advertised her services as a financial advisor for couples saving and budgeting for their wedding. The "review" that promoted the Respondent's business contained the Sun Life logo, and described services offered by the Respondent, in part, as follows:

As a financial advisor, [the Respondent] is licensed in all aspects of insurance and savings plans. As the Financial Diva, [the Respondent] has been helping clients since 2002. Not only does she help couple's determine a realistic wedding budget, she also helps them determine a plan to ensure the cash is readily available on their wedding day, so they can avoid incurring debt.

19. In addition to the two above referenced websites, the Respondent's Financial Diva business was listed on the website <<http://www.bridalconfidential.com/businesses/sun-life-financial-risa->

andersen/>. The contact information for the Respondent on this website included the Respondent's Sun Life phone number.

20. The Respondent used the financial planning services as a means to solicit prospective clients.

ii. Tax preparation

21. The Respondent completed income tax returns in 2015 and 2016 for two clients of Sun Life, clients MM and AM, who were spouses, and one other individual.

Undisclosed referral arrangement

22. At all material times, Sun Life's policies and procedures prohibited Approved Persons from engaging in referral arrangements, unless there was a formal agreement with Sun Life, disclosure was provided to clients, and Sun Life recorded the referral fees on its books and records.

23. From August 13, 2014 to June 1, 2017, the Respondent held a position with a third party insurance broker, M&R, as a personal and commercial lines broker. The Respondent maintained her license to sell property and casualty insurance.

24. During this time, the Respondent provided quotes, processed or facilitated the processing of applications, and referred clients and others for property and casualty insurance, for which she earned referral fees in the amount of \$21,000.

25. At no time did the Respondent disclose to or obtain approval from Sun Life to sell property and casualty insurance.

26. Sun Life had no referral arrangement with M&R, and did not record the referral fees on its books and records.

27. The Respondent did not provide disclosure of the referral arrangement she had with M&R to those clients she referred to M&R to purchase insurance.

Unapproved websites and advertisements

28. At all material times, Sun Life's policies and procedures required that all marketing materials be approved by head office.
29. At all material times, Sun Life prohibited its Approved Persons from establishing non-Sun Life websites.
30. As described above at paragraph 17, the Respondent established a non-Sun Life website for her business carried on under the Financial Diva name.
31. The Respondent did not disclose to or obtain approval from Sun Life prior to advertising her services on the websites described above at paragraphs 17 to 19.
32. By promoting investment related services offered by the Respondent, and promoting the business of the Member, the advertisements constituted an "advertisement" within the meaning of MFDA Rule 2.7.1(a).

Re-used signature pages

33. At all material times, Sun Life's policies and procedures prohibited Approved Persons from re-using signature pages from previously signed account forms, and stated that all forms must be duly executed after all information on a form has been properly completed.
34. In March 2017 and May 2017, the Respondent attached photocopied or scanned signature pages from account forms previously signed by clients to 14 new account forms to process transactions in respect of 3 clients.
35. The re-used forms consisted of transfer authorizations.

Altered account forms

36. At all material times, Sun Life's policies and procedures prohibited Approved Persons from obtaining and using altered account forms, and stated that all forms must be duly executed after all information on a form has been properly completed.

37. On February 24, 2017, the Respondent altered and used 1 account form to process a transaction without having the client initial the alterations.

38. The altered account form consisted of a mutual fund application form.

Unauthorized email accounts

39. At all material times, Sun Life's policies and procedures required Approved Persons to use Sun Life's electronic system for electronic communications with clients.

40. On March 15, 2017, the Respondent used a non-Sun Life email account to communicate with a client concerning investment in the client's TFSA.

Sun Life's investigation

41. On July 5, 2017, following the discovery of the Respondent's outside conduct described above, Sun Life placed the Respondent under close supervision.

42. On or around September 29, 2017, Sun Life sent a letter to all clients serviced by the Respondent to audit the Respondent's conduct. The letter requested that clients confirm their authorization for transactions in their mutual fund account(s); confirm their KYC information; and advise whether the Respondent ever provided income tax return services, home or auto insurance services, and/or "other" services.

43. No clients reported any concerns to Sun Life concerning the status of their accounts or Know Your Client information. Based on responses from 4 clients, Sun Life determined that the Respondent had sold home or auto insurance services contrary to its policies and procedures as described above.

44. On October 3, 2017, Sun Life terminated the Respondent's registration for the matters described above.

Additional factors

45. Other than the referral arrangement with M&R, there is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond any

commissions and fees that he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

46. There is no evidence of any client loss or that the transactions processed using the altered account forms and re-used signature pages were unauthorized.

47. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

48. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing of the allegations.

IV. ADDITIONAL TERMS OF SETTLEMENT

49. 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.

50. 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. 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.

51. 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.

52. 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 contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any 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.

53. 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.

54. 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.

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

DATED this 4th day of December, 2018.

“Risa Dee Andersen”

Risa Dee Andersen

“AS”

Witness – Signature

AS

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.**



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

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

Re: Risa Dee Andersen

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 Risa Dee Andersen (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 the Respondent:

- a) between April 2014 and June 2017, had and continued in outside business activities which were not disclosed to and approved by the Member, contrary to the Member’s policies and procedures and MFDA Rules 1.2.1(c) (now 1.3.2) , 2.1.1, and 2.5.1 and 1.1.2.
- b) between August 13, 2014 and June 1, 2017, referred at least 4 clients and 5 individuals to purchase insurance products for which the Respondent received

referral fees, contrary to the Member's policies and procedures, sections 13.7 to 13.10 of National Instrument 31-103, and MFDA Rules 2.1.1, 2.4.2, and 2.5.1 and 1.1.2;

- c) between April 2014 and June 2017, conducted business of the Member using an unapproved trade name, contrary to the Member's policies and procedures and MFDA Rules 1.1.7(c), 2.5.1 1.1.2, and 2.1.1;
- d) from at least December 5, 2014 to June 2017, issued unapproved advertisements and established a website, contrary to the Member's policies and procedures and MFDA Rules 2.7.3, 2.5.1, 1.1.2, and 2.1.1;
- e) in March 2017 and May 2017, attached a copy of signature pages from account forms previously signed by clients to 14 new account forms to process transactions in respect of 3 clients, contrary to MFDA Rule 2.1.1;
- f) on February 24, 2017, altered and used 1 account form to process a transaction without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and
- g) on or about March 15, 2017, used an unauthorized email account to communicate with a client, contrary to the Member's policies and procedures and MFDA Rules 2.5.1, 1.1.2, and 2.1.1.

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

1. The Respondent shall be prohibited from conducting securities related business in any capacity while in the employ or associated with any MFDA Member for a period of 6 months commencing from the date of this Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
2. The Respondent shall pay a fine in amount of \$25,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1, in instalments as follows:
 - a) \$2,500, upon acceptance of the Settlement Agreement;
 - b) \$3,750, on or before [date];
 - c) \$3,750, on or before [date];
 - d) \$3,750, on or before [date];

- e) \$3,750, on or before [date];
- f) \$3,750, on or before [date];
- g) \$3,750, on or before [date];

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

4. The Respondent shall in the future comply with MFDA Rules 1.1.7(c), 1.3.2, 2.1.1, 2.1.4, 2.4.2, 2.7.3, and 2.5.1 and 1.1.2 and ss. 13.7 to 13.10 of National Instrument 31-103.

5. 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.

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

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]

DM 652051