



**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: Brian Arthur Greigson**

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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 Prairie 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, Brian Arthur Greigson (the “Respondent”).

**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. The Respondent became registered in the mutual fund industry in 1995.

7. From November 2013 to October 2017, the Respondent was registered in Ontario as a dealing representative (formerly known as a mutual fund salesperson) with Excel Private Wealth Inc. (“Excel”), 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 his mutual fund business in Kingston, Ontario.

#### **Undisclosed Referral Agreement**

10. On November 12, 2013, the MFDA issued Bulletin #0853-P, Transactions by Approved Persons in Syndicated Mortgage Securities. The Bulletin provided guidance with respect to syndicated mortgages. The Bulletin specifically advised that all syndicated mortgages sold or referred by Approved Persons must be facilitated through the accounts and facilities of the Member in accordance with the requirement of Rule 1.1.1 and are subject to all applicable MFDA Rules.

11. On December 16, 2013, the Respondent entered into a “Simple Referral Agent Agreement” with FMP Mortgage Investments Inc. (“FMP”) to refer investors to purchase syndicated mortgages issued by Fortress Real Capital (the “Referral Arrangement”). The Referral Arrangement provided that the Respondent would refer individuals to FMP in return for referral fees equal to 5% of the monies that the individuals referred by the Respondent invested in syndicated mortgage products. The Respondent entered into the Referral Arrangement without the knowledge or approval of Excel.

12. Between January and March 2014, the Respondent referred three investors, of which two were Excel clients, to FMP. The three investors each purchased \$25,000 of syndicated mortgages in a Fortress Project know as Harmony Village Sheppard Inc. (“Harmony”), a condominium development.

13. In the course of referring the investors to FMP, the Respondent informed the investors of the opportunity to invest with FMP and provided brochures regarding FMP syndicated mortgage products to the three investors.

14. Pursuant to the Referral Arrangement, FMP paid the Respondent \$3,750 in referral fees. FMP paid the referral fees directly to the Respondent.

15. On August 20, 2014, the Respondent disclosed to Excel that he had entered into the Referral Arrangement and that he had referred three investors, two of whom were clients, to FMP.

16. Excel did not have a referral arrangement with FMP, did not record any of the referral fees on its books and records, and had no knowledge of the Referral Arrangement until notified by the Respondent.

17. On January 20, 2017, Harmony was petitioned into Receivership. The project was eventually sold by the court appointed receiver to another developer, who completed the project.

18. The three investors were made substantially whole by a distribution to mortgagees made by the receiver in 2017.

## **Additional Factors**

19. The Respondent has not been the subject of previous MFDA disciplinary proceedings.
20. The Respondent has cooperated fully with Staff during the course of the investigation.
21. The Respondent has, by agreeing to this settlement, saved the MFDA from incurring the time and expenses associated with conducting a full hearing on the merits.
22. There have been no client complaints in relation to the conduct described in this Settlement Agreement.
23. The Respondent is not currently registered in the mutual fund industry and will not be returning to it.

## **V. CONTRAVENTIONS**

24. The Respondent admits that, between January and March 2014, he referred two clients and one other individual to purchase \$75,000 of syndicated mortgages outside the Member, and received \$3,750 in referral fees outside the Member for doing so, thereby engaging in conduct contrary to MFDA Rules 1.1.1, 2.4.2 and 2.1.1, and the requirements of sections 13.7 and 13.8 of National Instrument 31-103.

## **VI. TERMS OF SETTLEMENT**

25. The Respondent agrees to the following terms of settlement:
  - a) the Respondent shall pay a fine of \$7,500, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
  - b) the Respondent shall be prohibited for a period of three months from conducting securities related business while in the employ of or associated with any MFDA Member, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
  - c) the Respondent shall pay costs of \$2,500, pursuant to section 24.2 of MFDA By-law No. 1; and

- d) the Respondent will attend by teleconference and be represented by counsel attending in person, on the date set for the Settlement Hearing.

## **VII. STAFF COMMITMENT**

26. 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**

27. 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.

28. 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.

29. 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 and/or 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.

30. 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.

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

31. 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**

32. 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.

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

#### **XI. DISCLOSURE OF AGREEMENT**

34. 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.

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

## **XII. EXECUTION OF SETTLEMENT AGREEMENT**

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

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

**DATED** this 14<sup>th</sup> day of January, 2019.

“Brian Greigson”

\_\_\_\_\_  
Brian Greigson

“TS”

\_\_\_\_\_  
Witness – Signature

TS

\_\_\_\_\_  
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. 201884**



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PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF  
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**Re: Brian Arthur Greigson**

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**ORDER**

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**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 Brian Arthur Greigson (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, between January and March 2014, referred two clients and one other individual to purchase \$75,000 of syndicated mortgages outside the Member, and received \$3,750 in referral fees outside the Member for doing so, thereby engaging in conduct contrary to MFDA Rules 1.1.1, 2.4.2 and 2.1.1, and the requirements of 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. 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. the Respondent shall pay a fine of \$7,500, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

3. the Respondent shall be prohibited from conducting securities related business while in the employ of or associated with any MFDA Member for a period of three months, pursuant to section 24.1.1(e) of MFDA By-law No. 1; and

4. the Respondent shall pay costs 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 664324