



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: Taayla Markell Mark

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 Pacific 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 Taayla Markell Mark (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. Since January 9, 2014, the Respondent has been registered in British Columbia as a dealing representative with Peak Investment Services Inc. (the “Member”), a Member of the MFDA.

7. At all material times, the Respondent carried on business in the Vancouver, British Columbia area.

Discretionary Trading

8. At all material times, the Member had a policy and procedure that prohibited discretionary trading.

Client MP

9. Since April 4, 2015, client MP was a client of the Member, whose account was serviced by the Respondent.

10. The Respondent states that, in or about April 2015, at an initial meeting with client MP, she had a general discussion about making changes to client MP’s portfolio in the future. During

this initial meeting the Respondent did not obtain client instructions as to the specific elements of the potential changes, such as the timing of any trades, identity of the mutual funds, and the amounts of any trades.

11. On October 19, 2015, the Respondent submitted 2 switches in client MP's RRSP account and 1 switch in client MP's RESP, without obtaining client instructions for the specific elements of the switches, as follows:

From	To
SWO-FID Global Health Care Series B FE FID299 FE \$11,159.38	SWI-FID NorthStar Series B FID253 FE \$11,159.38
SWO-FID Global Health Care Series B FE FID299 \$25,317.50	SWI-FID US Monthly Income FID1330 FE \$25,317.50
SWO-FID Canadian Growth Company Series B FID265 FE \$9,285.43	SWI-FID Global Technology Series B FID297 FE \$9,285.43

12. The Respondent admits that she determined the essential elements of the trades, including the selection of the fund, the amount to be invested in each fund, and the timing of the trades, thereby engaging in authorized discretionary trading.

13. On October 19, 2015, after the switches were submitted for processing, the Respondent emailed client MP to advise her of the details of the transactions. Client MP did not complain to the Member regarding these transactions.

Client DL

14. Since August 27, 2014, client DL was a client of the Member, whose account was serviced by the Respondent.

15. The Respondent states that, in or about August 2014 at an initial meeting with client DL, she had a general discussion about making changes to client DL's portfolio in the future. During this initial meeting the Respondent did not obtain client instructions as to the specific elements of the potential changes, such as the timing of any trades, identity of the mutual fund, and the amounts of any trades.

16. On October 17, 2015, the Respondent submitted 6 trades to the Member for processing in client DL's RRSP account, without obtaining client instructions for the specific elements of the trades, as follows:

From	To
SWO-CI American Managers Corp Class A CIG709 DSC \$8,859.39	SWI-CI Black Creek Global Balanced Corp A CIG3573 DSC \$8,859.39
SWO-CI Global Health Sciences Corp Class CIG201 FE \$3,871.69	SWI-CI Global Bond Corp Class CIG2302 FE \$3,871.69
RED-CI Global Health Sciences Corp Class CIG701 DSC \$4,908.40	PUR-CI American Small Cap Companies Class A CIG813 DSC \$4,908.40
Sell-CI Global Health Sciences Corp Class CIG701 DSC \$4,908.35	Buy-CI Global Bond Corp Class CIG2302 FE \$4,908.35
SWO-CI Signature Global Income & Growth Corp CL A CIG3312 DSC \$24,201.52	SWI-CI Black Creek Global Balanced Corp A CIG3573 DSC \$24,201.52
SWO-CI American Managers Corp Class A CIG709 DSC \$13,289.07	SWI-Cambridge American Equity CIG11159 DSC \$13,289.07

17. The Respondent admits that she determined the essential elements of the trades, including the selection of the fund, the amount to be invested in each fund and the timing of the trades, thereby engaging in authorized discretionary trading.

18. On October 19, 2015, after the trades were processed, the Respondent emailed client DL to advise him of the details of the transactions. Client DL did not complain to the Member regarding these transactions.

19. With respect to each of the trades noted above, the Respondent submitted the trades for processing on the Member's back office system, Univeris, and did not have trade tickets signed by the clients.

Unauthorized Trading

Client JP

20. Since November 14, 2015, client JP was a client of the Member, whose account was serviced by the Respondent. The Respondent also serviced the account of his spouse, client MP.

21. The Respondent states that on or about January 21, 2016, she received instructions from client MP to process 5 switches in client JP's account. The Respondent submitted the switches to the Member for processing without obtaining client JP's authorization.

22. Client MP did not have a Power of Attorney or trading authorization on client JP's account.

23. The Respondent relied on an LTA signed by client JP to process the switches.

The Respondent admits that she did not have client JP's authorization to process the switches, thereby engaging in unauthorized trading.

Failure to Maintain Notes of Client Trade Instructions

24. At all material times, the Member had a policy and procedure requiring its Approved Persons to retain physical records of the instructions from clients for each transaction.

25. Between October 19, 2015 and April 13, 2016, the Respondent submitted 4 trades in 4 client accounts to the Member, without maintaining sufficient evidence of instructions from the clients, as follows:

Client	Date	Trade
BT	October 19, 2015	Switch of \$6,537.24 from the TD Health Science Fund to the TD Precious Metals Fund
DD	January 7, 2016	Purchase of \$10,000
DL	January 20, 2016	Switch of \$29,855.97
MS	April 13, 2016	Redemption of \$5,000 in FID Floating Rate High Income

26. With respect to each of the trades noted above, the Respondent submitted the trades for processing on the Member’s back office system, Univeris, and did not have trade tickets signed by the clients.

27. The Respondent states that she spoke to the clients on the telephone before each of the above noted trades at paragraph 26 and obtained their verbal authorization, however the Respondent failed to keep record of the telephone conversations.

Failure to Obtain Authorization to Change Know-Your-Client Information

28. At all material times, the Member had a policy and procedure requiring its Approved Persons to obtain a signed and dated Know-Your-Client (“KYC”) update form when changing client KYC information.

29. Between January 19, 2016 and February 2, 2016, the Respondent made changes to KYC information in 4 client accounts without having a discussion with the clients or obtaining authorization to make the changes to the clients’ KYC information.

30. The Respondent made the changes to the clients’ KYC information in response to the Member’s suitability queries regarding trades in the clients’ accounts. The Respondent updated the KYC information to match her recommendations without discussing or obtaining authorization for the changes in KYC information with the clients, as follows:

Client	Prior KYC	Updated KYC Change
BT	October 19, 2015 <u>Investment Objective</u> Growth 32% Maximum Growth 68%	January 19, 2016 <u>Investment Objective:</u> Income 75% Growth 25%
DL	October 16, 2015 <u>Investment Objective:</u> Income 42%	February 2, 2016 <u>Investment Objective:</u> Income 100%

Client	Prior KYC	Updated KYC Change
	Growth 43% Maximum Growth 15% <u>Risk Tolerance:</u> Low Risk 3% Medium Risk 39% High Risk 59%	<u>Risk Tolerance:</u> Medium Risk 100%
JP	November 18, 2015 <u>Investment Objective</u> Income 30% Growth 50% Maximum Growth 20% <u>Risk Tolerance</u> Medium 30% High 70%	February 2, 2016 <u>Investment Objective:</u> Income 100% <u>Risk Tolerance:</u> Medium 100%
DD	January 6, 2015 <u>Investment Objective:</u> Income 54% Growth 46% <u>Risk Tolerance:</u> Medium 54% High Risk 46%	February 2, 2016 <u>Investment Objective:</u> Income 100% <u>Risk Tolerance:</u> Medium 100%

31. The Respondent made the changes to the clients' KYC information directly on Univeris and did not have the clients sign KYC update forms.

The Member's Response

32. Between June 16, 2016 and August 12, 2016, the conduct described herein was detected during an MFDA audit of the Member.

33. In January 2017, the Member limited the Respondent's access to Univeris and the Respondent was placed on strict supervision.

Additional Factors

34. The Respondent has not previously been the subject of a MFDA disciplinary proceeding.

35. There is no evidence that:

- a) clients suffered any financial loss;
- b) the Respondent received any financial benefit from engaging in the misconduct beyond the commissions or fees to which she would have been ordinarily entitled had the transactions in the clients' accounts been carried out in the proper manner; and
- c) any clients have complained about the Respondent's conduct.

V. CONTRAVENTIONS

36. The Respondent admits that,

- a) between October 19, 2015 and January 21, 2016, the Respondent processed 9 transactions in 2 client accounts without discussing the specific elements of the trades thereby engaging in authorized discretionary trading, contrary to the policies and procedures of the Member and MFDA Rules 2.3.1(b), and 2.1.1;
- b) on January 21, 2016, the Respondent processed 5 trades in the accounts of 1 client based on the requests of the client's spouse without the authorization of the client, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1;
- c) between October 19, 2015 and April 13, 2016, the Respondent submitted 4 trades in 4 client accounts to the Member, without maintaining sufficient evidence of

client instructions, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1, 2.3.1, 2.10 and 1.1.2; and

- d) between January 19, 2016 and February 2, 2016, the Respondent made changes to Know-Your-Client (“KYC”) information in 4 client accounts without discussing or obtaining authorization of the clients prior to making the changes and without completing a KYC update form as required by the Member, contrary to the policies and procedures of the Member, and MFDA Rules 2.2.4, 1.1.2, 2.5.1, and 2.1.1.

VI. TERMS OF SETTLEMENT

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

- a) the Respondent shall pay a fine of \$15,000, in certified funds, pursuant to Section 24.1.1(b) of MFDA Bylaw No. 1 (the “Fine”);
- b) the Respondent shall pay costs in the amount of \$2,500, in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of Bylaw No. 1 (the “Costs”);
- c) the payment by the Respondent of the Fine and Costs shall be made to and received by MFDA Staff in certified funds as follows:
- i. \$2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$1,666.66 on or before the last business day of the first month following the date of Settlement Agreement;
 - iii. \$1,666.66 on or before the last business day of the second month following the date of Settlement Agreement;
 - iv. \$1,666.66 on or before the last business day of the third month following the date of Settlement Agreement;
 - v. \$1,666.66 on or before the last business day of the fourth month following the date of Settlement Agreement;
 - vi. \$1,666.66 on or before the last business day of the fifth month following the date of Settlement Agreement;

- vii. \$1,666.66 on or before the last business day of the sixth month following the date of Settlement Agreement;
 - viii. \$1,666.66 on or before the last business day of the seventh month following the date of Settlement Agreement;
 - ix. \$1,666.66 on or before the last business day of the eighth month following the date of Settlement Agreement; and
 - x. \$1,666.66 on or before the last business day of the ninth month following the date of Settlement Agreement.
- d) the Respondent shall in the future comply with MFDA Rules 2.3.1, 2.10, 1.1.2, 2.5.1, 2.2.4, and 2.1.1; and
 - e) the Respondent will attend the Settlement Hearing in person.

VII. STAFF COMMITMENT

38. 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 VII 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 VII 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 VII, 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

39. Acceptance of this Settlement Agreement shall be sought at a hearing of the Pacific 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.

40. 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.

41. 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.

42. 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

43. 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

44. 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.

45. 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

46. 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.

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

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 15th day of February, 2019.

“Taayla Markell Mark”

Taayla Markell Mark

“MR”

Witness – Signature

MR

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. 201915



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: Taayla Markell Mark

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 Taayla Markell Mark (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,

- a) between October 19, 2015 and January 21, 2016, the Respondent processed 9 transactions in 2 client accounts without discussing the specific elements of the trades thereby engaging in authorized discretionary trading, contrary to the policies and procedures of the Member and MFDA Rules 2.3.1(b), and 2.1.1;
- b) on January 21, 2016, the Respondent processed 5 trades in the accounts of 1 client based on the requests of the client’s spouse without the authorization of the client, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1;

- c) between October 19, 2015 and April 13, 2016, the Respondent submitted 4 trades in 4 client accounts to the Member, without maintaining sufficient evidence of client instructions, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1, 2.3.1, 2.10 and 1.1.2; and
- d) between January 19, 2016 and February 2, 2016, the Respondent made changes to Know-Your-Client (“KYC”) information in 4 client accounts without discussing or obtaining authorization of the clients prior to making the changes and without completing a KYC update form as required by the Member, contrary to the policies and procedures of the Member, and MFDA Rules 2.2.4, 1.1.2, 2.5.1, and 2.1.1.

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

1. The Respondent shall pay a fine of \$15,000, in certified funds, pursuant to Section 24.1.1(b) of MFDA Bylaw No. 1 (“Fine”);
2. The Respondent shall pay costs in the amount of \$2,500, in certified funds, pursuant to section 24.2 of Bylaw No. 1 (“Costs”);
3. The Respondent shall pay the Fine and Costs in certified funds as follows:
 - i) \$2,500 (Costs) upon the acceptance of the Settlement Agreement;
 - ii) \$1,666.66 (Fine) on or before <date to be inserted>;
 - iii) \$1,666.66 (Fine) on or before <date to be inserted>;
 - iv) \$1,666.66 (Fine) on or before <date to be inserted>;
 - v) \$1,666.66 (Fine) on or before <date to be inserted>;
 - vi) \$1,666.66 (Fine) on or before <date to be inserted>;
 - vii) \$1,666.66 (Fine) on or before <date to be inserted>;
 - viii) \$1,666.66 (Fine) on or before <date to be inserted>;
 - ix) \$1,666.66 (Fine) on or before <date to be inserted>; and
 - x) \$1,666.66 (Fine) on or before <date to be inserted>.
4. 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 674572