



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

**IN THE MATTER OF A DISCIPLINARY HEARING
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1
OF THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Melvin Robert Penney

ORDER

WHEREAS on November 12, 2008, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of a disciplinary proceeding commenced against Melvin Robert Penney (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA dated April 8, 2009 (the “Settlement Agreement”) in which the Respondent agreed to a proposed settlement of matters for which he could be disciplined pursuant to sections 20 and 24.1.1 of MFDA By-law No. 1;

AND WHEREAS Staff of the MFDA and the Respondent consented to an Order abridging the notice period applicable to the consideration of a settlement agreement under Rule 15.2(1);

AND UPON reviewing the Settlement Agreement and the Notice of Settlement Hearing, and upon hearing submissions from the Respondent and Staff of the MFDA;

AND WHEREAS the hearing panel of the Atlantic Regional Council (the “Hearing Panel”) is of the opinion that the Respondent engaged in securities related business that was not carried on for the account of Legacy Associates Inc. (“Legacy”), a

Member of the MFDA, or through the facilities of Legacy by recommending and facilitating investment by two clients in a real estate investment product offered by Walton International Group Inc., contrary to MFDA Rule 1.1.1(a);

IT IS HEREBY ORDERED THAT:

- (i) the notice period applicable to the consideration of a settlement agreement under Rule 15.2(1) is abridged;
- (ii) the Respondent shall pay a fine in the amount of \$5,000.00 pursuant to s. 24.1.1(b) of MFDA By-law No. 1, payable as follows:
 - i. \$2,500 payable upon approval of the settlement; and
 - ii. \$2,500 payable on or before January 15, 2010;
- (iii) the Respondent's authority to conduct securities related business in any capacity while in the employ of or associated with any MFDA Member shall be suspended for 2 years commencing on the date of this Order, pursuant to s. 24.1.1(c) of MFDA By-law No. 1, provided that the Respondent pays the second installment of the fine in the amount \$2,500 on or before January 15, 2010 in accordance with subparagraph (ii); and
- (iv) if the Respondent fails to comply with subparagraph (ii), then without further notice to the Respondent, the Respondent shall summarily be permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

DATED this 15th day of April, 2009.

Per: "Thomas J. Lockwood"
Thomas J. Lockwood, Q.C., Chair

Per: "Karen Smart"
Karen Smart, Industry Representative

Per: "Remy Richard"
Remy Richard, Industry Representative

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