



**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: Robert Laurie Bowness**

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**ORDER**

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**WHEREAS** on December 11, 2013, 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 Robert Laurie Bowness (the “Respondent”);

**AND WHEREAS** a proceeding had been commenced by Staff of the MFDA (“Staff”) against the Respondent by Notice of Hearing issued on October 11, 2013;

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff, dated December 10, 2013 (the “Settlement Agreement”), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to sections 20 and 24.1 of By-law No. 1;

**AND WHEREAS** the Respondent and Staff requested that the Hearing Panel proceed with the Settlement Hearing on December 18, 2013, in light of the fact that notice had been given to the public that a hearing would take place on that date, notwithstanding the fact that 10

days notice of a Settlement Hearing had not been given to the public in accordance with Rule 15.2(1) of the MFDA *Rules of Procedure* (the “Rules”);

**AND WHEREAS** pursuant to Rules 1.5(1) and 2.2 of the Rules, the Hearing Panel has the authority to abridge the time for the performance of any obligation under the Rules and the Hearing Panel was of the opinion that it was in the public interest to proceed with the Settlement Hearing on December 18, 2013;

**AND WHEREAS** the Respondent and Staff requested that the Hearing Panel proceed with the Settlement Hearing on December 18, 2013 *in camera*, to ensure that any statements in the Settlement Agreement which may be prejudicial to the Respondent would not be made public until such time as the Settlement Agreement is accepted;

**AND WHEREAS** pursuant to Rule 15.2(2) of the Rules, the Hearing Panel has the authority to order that all or part of the Settlement Hearing be held in the absence of the public, having regard to the principles set out in Rule 1.8 of the Rules, which recognizes that in certain proceedings, fairness requires that all or part of the hearing should take place in the absence of the public, and the Hearing Panel was of the opinion that the Settlement Hearing should proceed *in camera*;

**AND WHEREAS** the Hearing Panel considered the Settlement Agreement, and the submissions of Staff and the Respondent;

**AND WHEREAS** the Hearing Panel is of the opinion that:

1. Between September 2004 and March 2012, the Respondent obtained and maintained 68 pre-signed account forms for 26 clients and used pre-signed forms to process transactions in at least five client accounts, contrary to MFDA Rule 2.1.1;
2. Between May 4, 2011 and May 20, 2011, the Respondent engaged in client-authorized discretionary trading by processing eight redemptions in the amount of \$4,900 each in the

account of client RT by photocopying one blank redemption form pre-signed by client RT and using the copies to process the redemptions without obtaining instructions from the client as to the selection of the mutual fund(s) to be redeemed, contrary to MFDA Rule 2.3.1; and

3. Between 2009 and October 2011, the Respondent falsified the signatures of six clients on a total of 16 account forms used to process transactions in the clients' accounts, contrary to MFDA Rule 2.1.1.

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

1. The Respondent shall be prohibited for one year from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA, pursuant to section 24.1.1(e) of MFDA By-law No. 1;

2. The Respondent shall pay a fine in the amount of \$5,000, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

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

4. If at any time a non-party to this proceeding requests production of, or access to, any materials filed in, or the record of, this proceeding, including all exhibits and transcripts, then the MFDA Corporate Secretary shall not provide copies of, or access to, the requested documents to the non-party without first redacting from them any and all intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.

**DATED** this 16<sup>th</sup> day of January, 2014.

“D. Merlin Nunn”

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The Hon. D. Merlin Nunn, Q.C.,  
Chair

“Yves Duguay”

Yves Duguay,  
Industry Representative

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