



**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: Gerald Daniel Rumball**

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**ORDER**

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**WHEREAS** on July 23, 2015, 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 Gerald Daniel Rumball (the “Respondent”);

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of the MFDA, dated December 9, 2015 (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 MFDA By-law No. 1;

**AND WHEREAS** on the basis of the admissions made by the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

- (a) between October 2003 and May 2013, the Respondent failed to use due diligence to ensure that the orders that he accepted and the investment recommendations that he

made to approximately 12 clients to enter into investment agreements with W. H. Stuart Mutuals Ltd. (“W. H. Stuart”) or its principals or affiliated companies (the “Note Program”) were suitable for the clients and within the bounds of good business practice, contrary to MFDA Rules 2.2.1 and 2.1.1;

(b) between October 2003 and May 2013, the Respondent:

- i. failed to conduct adequate due diligence to determine and understand the nature of the investment and the extent of the risks associated with investments in the Note Program; and
- ii. failed to adequately explain to clients the risks, benefits, material assumptions and features of investments in the Note Program; and

thereby failed to know the product and present the recommendations to invest in the Note Program in a fair and balanced manner, contrary to MFDA Rules 2.2.1 and 2.1.1.

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

1. The Respondent is permanently prohibited from re-applying for registration as an Approved Person or conducting securities related business while in the employ of or associated with any Member of the MFDA, pursuant to s. 24.1.1(c) of MFDA By-law No. 1;
2. The Respondent shall pay a fine in the amount of \$25,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1 which shall be payable in two instalments as follows:
  - (a) \$10,000 payable on the date that the Settlement Agreement is accepted by the Hearing Panel; and
  - (b) the balance payable on or before March 1, 2016;
3. The Respondent shall immediately pay costs in the amount of \$5,000, pursuant to s. 24.2 of MFDA By-law No. 1.

**DATED** this 11<sup>th</sup> day of December, 2015.

“Mark J. Sandler”

Mark J. Sandler  
Chair

“Guenther Kleberg”

Guenther Kleberg  
Industry Representative

“Kenneth P. Mann”

Kenneth P. Mann  
Industry Representative

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