



**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: De Thomas Financial Corp.**

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**ORDER**

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**WHEREAS** on August 13, 2009, 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 De Thomas Financial Corp. (the “Respondent”);

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of the MFDA, dated August 12, 2009 (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 Hearing Panel is of the opinion that the Respondent:

1. failed to implement and maintain a two-tier account supervision structure, contrary to MFDA Rule 2.5 and MFDA Policy No. 2;
2. failed to conduct adequate trade supervision, failed to assess the suitability of switches in client accounts and review redemption activity, failed to maintain adequate evidence of trade supervision and failed to maintain evidence of any

- follow-up inquiries by supervisory staff where it appeared that a trade may be unsuitable, contrary to MFDA Rule 2.54 and MFDA Policy No. 2; and
3. failed to obtain adequate KYC and suitability information for each client account, contrary to MFDA Rules 2.2.1 and 2.2.2 and MFDA Policy No. 2.

**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 requests production of or access to exhibits in this proceeding that contain intimate financial or personal information, 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 intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*;
2. The Respondent shall pay a fine in the amount of \$10,000, pursuant to section 24.1.2(b) of By-law No. 1;
3. The Respondent shall retain an independent monitor at the Respondent's expense and in accordance with the terms set out in Schedule "B" to resolve:
  - (i) the deficiencies set out in paragraphs 9-23; and
  - (ii) any deficiencies that the independent monitor identifies during its review; pursuant to section 24.1.2(g) of By-law No. 1; and
4. The Respondent shall pay costs of this proceeding in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1.

**DATED** this 3<sup>rd</sup> day of September, 2009.

Per: "Fred Kaufman"  
Hon. Fred Kaufman, Chair

Per: “Guenther Kleberg”  
Guenther Kleberg

Per: “Christopher Marrese”  
Christopher C. Marrese