



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: Dennis Villarin

ORDER

WHEREAS on November 25, 2013, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of By-law No. 1 in respect of a disciplinary proceeding commenced against Dennis Villarin (the “Respondent”);

AND WHEREAS the Respondent did not file a Reply as required by Rule 8 of the MFDA Rules of Procedure or participate in the first appearance held on January 21, 2014;

AND WHEREAS on April 24, 2014, the hearing of this matter on its merits (the “Hearing”) was held before a hearing panel of the Prairie Regional Council of the MFDA (the “Hearing Panel”);

AND WHEREAS the Respondent did not attend the Hearing;

AND WHEREAS in the opinion of the Hearing Panel:

- a) between March 2006 and February 2008, the Respondent prepared and submitted new client account forms and loan applications for 14 clients which the Respondent knew or ought to have known contained false, incorrect or misleading information, thereby failing to observe high standards of ethics and conduct in the transaction of business and engaging in conduct unbecoming an Approved Person, contrary to MFDA Rule 2.1.1;
- b) between March 2006 and February 2008, the Respondent misrepresented, failed to fully and adequately explain, or omitted to explain the risks, benefits, material assumptions, features and costs of a leveraged investment strategy that he recommended and implemented in the accounts of 14 clients, thereby failing to ensure that the leveraged investment strategy was suitable for the clients and in keeping with the clients' investment objectives, contrary to MFDA Rules 2.2.1 and 2.1.1;
- c) between March 2006 and February 2008, the Respondent failed to ensure that the leveraged investment strategy that he recommended and implemented in the accounts of 14 clients was suitable for the clients and in keeping with their investment objectives, having regard to the clients' relevant "Know-Your-Client" information and financial circumstances, including but not limited to the clients' ability to afford the costs associated with the investment loans and withstand investment losses, contrary to MFDA Rules 2.2.1 and 2.1.1; and
- d) commencing in June 2012, the Respondent failed to attend for an interview during the course of an investigation into his conduct by the MFDA, contrary to s. 22.1 of MFDA By-law No. 1.

IT IS HEREBY ORDERED THAT:

1. The Respondent shall be permanently prohibited from conducting securities related business in any capacity over which the MFDA has jurisdiction, pursuant to s. 24.1.1(e) of MFDA By-law No. 1.

2. The Respondent shall pay a fine in the amount of \$250,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1.

3. The Respondent shall pay costs in the amount of \$10,000 pursuant to s. 24.2 of MFDA By-law No. 1.

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 23rd day of April, 2014.

“Robert Hucal”

Robert Hucal
Chair

“Patricia Kloepfer”

Patricia Kloepfer
Industry Representative

“Greg Wiebe”

Greg Wiebe
Industry Representative

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