



**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: Nathan Hersh Disenhouse**

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**ORDER**

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**WHEREAS** on June 17, 2010, the Mutual Fund Dealers Association of Canada (“MFDA”) issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Nathan Hersh Disenhouse (“Respondent”);

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of the MFDA, dated June 16, 2010 (“Settlement Agreement”), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to ss. 20 and 24.1 of By-law No. 1;

**AND WHEREAS** the Respondent has delivered certified cheques to the MFDA in the amounts of \$15,000.00 and \$5,000.00 representing the fine and costs amounts to be paid, being held in escrow by the MFDA pending acceptance of the Settlement Agreement;

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

i. Between October 2004 and October 2005, the Respondent engaged in securities related business that was not carried on for the account of the Member and through the facilities of the Member by selling, referring, or facilitating the sale of \$730,000 of an investment product to 18 individuals, 11 of whom were clients, when that investment product had not been approved for sale by the Member, contrary to MFDA Rules 1.1.1, 2.1.1, and 2.4.2;

ii. The Respondent did not disclose to investors in the above-noted investment product that he was a shareholder in the company which was, in turn, the sole shareholder of the company offering the investment product, thereby placing his own interests above those of the investors and giving rise to an actual or potential conflict of interest which he failed to address by the exercise of responsible business judgment influenced only by the best interests of the investors, contrary to MFDA Rules 2.1.1 and 2.1.4;

iii. Between 2005 and 2007, the Respondent engaged in a dual occupation that was not disclosed to and approved by the Member by entering into a referral agreement and referring clients to a third party that administered pension plans, contrary to MFDA Rules 1.2.1(d), 2.1.1, and 2.4.2; and

iv. Between February 2006 and 2007, the Respondent obtained and maintained blank, pre-signed trading forms in client files and used such forms to process a trade in at least one client account, thereby:

(a) failing to comply with the Member's express directions that he obtain original client signatures on trading authorization forms, contrary to MFDA Rules 1.1.2 and 2.5.1; and

(b) engaging in business conduct or practice that was unbecoming, 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 suspended for a period of 10 years, commencing from the date the Settlement Agreement is accepted by the Hearing Panel, from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member effective from the date of this Order, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
2. The Respondent shall pay a fine in the amount of \$15,000.00, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
3. The Respondent shall pay costs in the amount of \$5,000.00, 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 exhibits in this proceeding that contain intimate financial or personal information, the Corporate Secretary shall prepare copies of the requested exhibits, redact any and all intimate financial or personal information therefrom, and provide the redacted copies to the non-party, pursuant to Rules 1.8(2) and (5) of the MFDA Rules of Procedure;

**DATED** this 18<sup>th</sup> day of June, 2010.

Per: “John Morden”  
The Honourable John W. Morden, Chair

Per: “Robert White”  
Robert C. White, Industry Representative

Per: “Selwyn Kossuth”  
Selwyn Kossuth, Industry Representative