



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: Michael Robert Breuer

ORDER

WHEREAS on December 10, 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 Michael Breuer (the “Respondent”);

AND WHEREAS the first appearance in this hearing was held before a panel of the Pacific Regional Council of the MFDA (the “Hearing Panel”) on January 21, 2014;

AND WHEREAS on July 28 and July 29, 2014, the Hearing Panel conducted a hearing of the matters as described in the Notice of Hearing;

AND WHEREAS in the opinion of the Hearing Panel, in a decision dated November 13, 2014:

- i) Between December 30, 2008 and June 30, 2010, the Respondent engaged in personal financial dealings with client ES by entering into an agreement with client ES whereby the Respondent personally guaranteed to compensate client ES for any

- shortfall in the value of client ES's account below \$150,000, thereby giving rise to a conflict or potential conflict of interest between the Respondent and client ES which the Respondent failed to address by the exercise of responsible business judgment influenced only by the best interests of the client, contrary to MFDA Rules 2.1.4 and 2.1.1;
- ii) Between June 28 and July 8, 2009 the Respondent engaged in unauthorized discretionary trading by processing two redemptions, totaling approximately \$17,400, in client ES's account, and depositing the proceeds in client ES's bank account, all without the client's knowledge, instructions or approval, contrary to MFDA Rules 2.3.1(a) and 2.1.1;
 - iii) Between June 28 and July 8, 2009, the Respondent engaged in conduct unbecoming an Approved Person and failed to observe high standards of ethics and practice in the conduct of business by using client ES's own monies to compensate her for losses sustained in her account, without her knowledge or approval, contrary to MFDA Rule 2.1.1;
 - iv) On or about July 2, 2010, the Respondent engaged in conduct unbecoming an Approved Person and failed to observe high standards of ethics and practice in the conduct of business by changing the mailing address for statements sent by a mutual fund company to client ES from client ES's home address to the Respondent's branch office address, without the client's knowledge, instructions or approval, contrary to MFDA Rule 2.1.1;
 - v) Between July 16, 2008 and September 28, 2011, the Respondent engaged in conduct unbecoming an Approved Person and failed to observe high standards of ethics and practice in the conduct of business by misrepresenting to clients GL and ML that the principal amounts of the investments in their account were fully guaranteed, contrary to MFDA Rule 2.1.1;

vi) Commencing July 19, 2013, the Respondent has failed or refused to provide documents and information to, and to attend an interview requested by, the MFDA during the course of an investigation, contrary to s. 22.1 of MFDA By-Law No. 1 and MFDA Rule 2.1.1;

IT IS HEREBY ORDERED THAT:

- 1) 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*;
- 2) The Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of, or in association with any MFDA Member, pursuant to Section 24.1(e) of MFDA By-law No. 1;
- 3) The Respondent shall pay a fine of \$150,000.00 pursuant to Section 24.1.1(b) of MFDA By-law No. 1; and
- 4) The Respondent shall pay costs of \$7,500.00 pursuant to Section 24.2 of MFDA By-law No. 1.

DATED this 30th day of January, 2015.

“Stephen D. Gill”

Stephen D. Gill
Chair

“Sharon Moskalyk”

Sharon Moskalyk
Industry Representative

“Cecilia Wong”

Cecilia Wong

Industry Representative

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