



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: Charles Albert Martin

ORDER

(ARISING FROM HEARING ON THE MERITS ON OCTOBER 12, 2016)

WHEREAS on March 21, 2016, 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 (the “By-law”) in respect of a disciplinary proceeding commenced against Charles Albert Martin (the “Respondent”);

AND WHEREAS during scheduling appearances held May 24, 2016 and August 24, 2016 held before the Chair of a panel of the Central Regional Council of the MFDA (the “Hearing Panel”) the hearing on the merits of this matter was scheduled to take place October 11-12, 2016 in the hearing room located at the MFDA offices, 121 King Street West, Suite 1000, Toronto, Ontario;

AND WHEREAS on October 6, 2016 the hearing on the merits was re-scheduled to commence October 12, 2016 in the hearing room located at the MFDA offices, 121 King Street West, Suite 1000, Toronto, Ontario;

AND WHEREAS the Respondent did not deliver or serve a Reply to the Notice of Hearing prior to the commencement of the hearing on the merits in this matter;

AND WHEREAS on October 12, 2016 the hearing on the merits of this matter was held before the Hearing Panel;

AND WHEREAS by order of the Hearing Panel dated August 24, 2016 the Respondent was determined to have been served with the Notice of Hearing and notified of the within proceeding;

AND WHEREAS no one appeared at the hearing on the merits on behalf of the Respondent;

AND WHEREAS the Hearing Panel considered the evidence filed by, and the submissions of, Staff of the MFDA;

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

1. Between February 6, 2013 and September 20, 2013, the Respondent disregarded directives from the Member to cease charging service fees or engaging in fee for service activities with clients outside the Member, and then mislead the Member about accepting service fees and engaging in fee for service activities with clients, thereby interfering with the ability of the Member to supervise the Respondent and comply with its obligations under MFDA Rule 2.9 and MFDA Policy No. 4, contrary to MFDA Rules 1.1.2, 1.1.5, 2.10 and 2.1.1.
2. On May 29, 2014, the Respondent mislead Staff during the course of its investigation of the Respondent's activities as a dealing representative when he falsely stated during an interview with Staff that he had ceased charging service fees to clients in December 2012, contrary to section 22.1 of MFDA By-law No. 1; and
3. Between 2004 and September 20, 2013, the Respondent solicited clients JM and DM to

appoint a corporation that he controlled as a trustee in the clients' Will, and thereafter failed to renounce or disclose the appointment to the Member, thereby giving rise to a conflict or potential conflict of interest between the Respondent and clients JM and DM which he failed to address by the exercise of responsible business judgment influenced only by the best interests of clients JM and DM, contrary to MFDA Rules 2.3.1, 2.1.4 and 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 over which the MFDA has jurisdiction, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
3. The Respondent shall pay, no later than 6 months after the date of this order, a fine in the amount of \$75,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1; and
4. The Respondent shall pay, no later than 6 months after the date of this order, costs of this proceeding in the amount of \$7,500 pursuant to s. 24.2 of MFDA By-law No. 1.

DATED this 12th day of October, 2016.

“Mark J. Sandler”

Mark J. Sandler
Chair

“Gunther W. K. Kleberg”

Gunther W. K. Kleberg
Industry Representative

“Kenneth P. Mann”

Kenneth P. Mann
Industry Representative

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