



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF AN APPLICATION
PURSUANT TO SECTION 24.3 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: W. H. Stuart Mutuals Ltd. and Marilyn Dianne Stuart

ORDER

WHEREAS on April 29, 2013, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Application pursuant to section 24.3 of MFDA By-law No. 1 (the “By-law”) in respect of an application to be brought without notice against W. H. Stuart Mutuals Ltd. (“W. H. Stuart”), a Member of the MFDA, and Marilyn Dianne Stuart (“Ms. Stuart”), an Approved Person of W. H. Stuart (collectively, the “Respondents”);

AND WHEREAS the application was brought before a hearing panel of the Central Regional Council of the MFDA (the “Hearing Panel”) without notice to the Respondents on Monday, April 29, 2013 at the offices of the MFDA located at 121 King Street West, Suite 1000, Toronto, Ontario;

AND WHEREAS on April 29, 2013, the Hearing Panel made an Order against the Respondents pursuant to sections 24.3.1(b) and 24.3.2(b) of the By-law imposing penalties available under section 24.3.3 of the By-law;

AND WHEREAS subsequent appearances before the Hearing Panel occurred on notice to the Respondents on May 10, 2013 and May 22, 2013;

AND WHEREAS on May 9, 2013, a notice of termination was filed by W. H. Stuart on behalf of Ms. Stuart indicating that Ms. Stuart was resigning from registration as a dealing representative and as the Ultimate Designated Person (“UDP”) of W. H. Stuart;

AND WHEREAS on May 10, 2013, an asset purchase agreement was signed between the Respondents that resulted in the transfer of the client accounts and Approved Persons of W. H. Stuart to Keybase Financial Group Inc. (“Keybase”), another Member of the MFDA;

AND WHEREAS it is no longer necessary or appropriate for W. H. Stuart to conduct securities related business following the implementation of the asset purchase agreement;

AND WHEREAS financial and banking information recently submitted by W. H. Stuart to Staff appears to indicate that W. H. Stuart is now capital deficient;

AND WHEREAS Staff intends to continue to investigate allegations of misconduct involving the Respondents;

AND WHEREAS during the first week of May 2013, a third party service provider called Digital Evidence International Inc. (“DEI”) prepared forensic images of electronic data of W. H. Stuart so that such data would be preserved for potential further investigation by Staff;

AND WHEREAS Staff has requested an order authorizing Staff to obtain from DEI and review e-mails sent to and from W. H. Stuart e-mail address transfers@whstuart.com and no objection to the review of such e-mails has been communicated to Staff or the Hearing Panel by counsel for the Respondents;

AND WHEREAS Staff has agreed to prepare additional affidavit evidence to be submitted to the Hearing Panel following this appearance to provide an update on information that has come to light and events that have transpired since the application was commenced on April 29, 2013;

AND UPON HEARING the submissions of counsel for Staff and counsel for Ms. Stuart

and counsel for W. H. Stuart notified counsel for Staff that he did not intend to participate in this appearance;

AND WHEREAS in the opinion of the Hearing Panel it is in the public interest to impose the terms set out in this Order;

IT IS HEREBY ORDERED THAT:

1. Pursuant to s. 24.3.3(a) of MFDA By-law No. 1, W. H. Stuart is suspended and shall not have any of the rights or privileges of Membership and shall not be permitted to conduct securities related business except with prior authorization pursuant to a future order of a Hearing Panel;

2. For purposes of its investigation of the Respondents conduct, Staff is authorized to obtain from DEI and review any e-mail records that were sent to or from the W. H. Stuart e-mail account with the e-mail address transfers@whstuart.com;

3. Staff may access additional imaged electronic data that was obtained from W. H. Stuart by DEI with the consent of Ms. Stuart or her counsel or pursuant to a future order of a Hearing Panel;

4. If Ms. Stuart has power, possession or control over:

- (a) any assets;
- (b) the proceeds from any assets; or
- (c) assets acquired with the proceeds of any assets;

of clients or former clients of W. H. Stuart, she shall immediately disclose the existence of such assets to Staff and transfer such assets to Keybase.

5. This proceeding is adjourned *sine die*;

6. Any party to this proceeding can seek a further appearance before this Hearing Panel on a

minimum of 5 days notice.

DATED this 31st day of May, 2013.

“Thomas Lockwood”

Thomas Lockwood, Q. C.
Chair

“Darcy Lake”

Darcy Lake,
Industry Representative

“Robert Guilday”

Robert Guilday,
Industry Representative

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