



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: William Morris Adams, Bradley Gerard Crompton, Michelle Ann
Crompton, William Craig Henderson and Ian Omar Webster**

ORDER

(Bradley Gerard Crompton, Michelle Ann Crompton and William Craig Henderson)

WHEREAS on December 20, 2012, 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 in respect of a disciplinary proceeding commenced against Bradley Gerard Crompton (“Brad Crompton”);

AND WHEREAS on October 18, 2013 the MFDA issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of a disciplinary proceeding commenced against William Morris Adams, Michelle Ann Crompton (“Michelle Crompton”), William Craig Henderson (“Henderson”) and Ian Omar Webster;

AND WHEREAS on March 9, 2015 and April 15, 2015, a Hearing of the matters (“Hearing”) as described in the Notices of Hearing took place before a hearing panel of the Central Regional Council of the MFDA (the “Hearing Panel”);

AND WHEREAS Brad Crompton, Michelle Crompton and Henderson did not attend the Hearing;

AND WHEREAS Staff of the MFDA (“Staff”) made submissions to the Hearing Panel;

AND WHEREAS the Hearing Panel is of the opinion that Brad Crompton:

- a) between May 2007 and August 2007, facilitated a stealth advising arrangement whereby non-registered persons engaged in securities related business with clients on behalf of the Member, contrary to MFDA Rules 1.1.1(c) and 2.1.1;
- b) between May 2007 and August 2007, failed to perform the necessary due diligence to learn the essential facts relative to the clients to ensure that the investments and the leveraged investment strategy recommended to and implemented in the accounts of the clients was suitable for the clients and in keeping with the clients’ investment objectives, contrary to MFDA Rules 2.2.1 and 2.1.1; and
- c) beginning in or around September 2010, failed to attend an interview requested by Staff during the course of an investigation, and thereby failed to cooperate with the ongoing investigation, contrary to section 22.1 of MFDA By-law No. 1.

AND WHEREAS the Hearing Panel is of the opinion that Michelle Crompton:

- a) between May 2007 and October 2008, in her capacity as the designated branch manager, failed to adequately supervise a branch and failed to ensure that the business conducted on behalf of the Member by Approved Persons at the branch was in compliance with applicable securities legislation and the MFDA By-law and Rules, contrary to MFDA Rules 2.5.3(b), 2.1.1 and MFDA Policy No. 2; and
- b) beginning in or around September 2010, failed to attend an interview requested by Staff during the course of an investigation, and thereby failed to cooperate with an ongoing investigation, contrary to section 22.1 of MFDA By-law No. 1.

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

- a) beginning in or around September 2010, failed to attend an interview requested by Staff during the course of an investigation, and thereby failed to cooperate with an ongoing investigation, contrary to section 22.1 of MFDA By-law No. 1.

IT IS HEREBY ORDERED THAT:

1. if at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*;
2. the following penalties be imposed on Brad Crompton:
 - a) a permanent prohibition from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
 - b) a fine in the amount \$500,000, pursuant to section 24.1.1(b); and
 - c) costs in the amount of \$10,000, pursuant to section 24.2 of MFDA By-law No. 1.
3. the following penalties be imposed on Michelle Crompton:
 - a) a permanent prohibition from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
 - b) a fine in the amount \$500,000, pursuant to section 24.1.1(b); and
 - c) costs in the amount of \$10,000, pursuant to section 24.2 of MFDA By-law No. 1.

4. the following penalties be imposed on Henderson:
- a) a two (2) year prohibition from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
 - b) a fine in the amount \$25,000, pursuant to section 24.1.1(b);
 - c) prior to re-registration, Henderson shall successfully complete an industry compliance course or other education acceptable to Staff, pursuant to section 24.1.1(f) of By-law No. 1;
 - d) for the first 12 months of his registration Henderson shall be closely supervised by a Member pursuant to a supervision plan approved in advance by Staff, pursuant to section 24.1.1(f) of By-law No. 1; and
 - e) costs in the amount of \$10,000, pursuant to section 24.2 of MFDA By-law No. 1.

DATED this 5th day of May, 2015.

“Mark J. Sandler”

Mark J. Sandler
Chair

“Nick Pallotta”

Nick Pallotta
Industry Representative

“Selwyn Kossuth”

Selwyn Kossuth
Industry Representative