



**CASE SUMMARY # 201241**

April 21, 2015

# **MFDA Case Summary**

## **Enforcement**

This case summary was prepared by Staff of the MFDA.

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### **Hearing Panel Imposes Penalties on Robert Bruce Rush**

Robert Bruce Rush (“Rush”) was registered as a mutual fund salesperson with Sun Life Financial Investment Services (Canada) Inc. (“Sun Life”) from March 2005 to November 28, 2007. While registered with Sun Life, Rush recommended and facilitated the sale of two investments known as Gold-Quest International and The Hear Now to clients KC and DC, and possibly to two other clients of Sun Life and 11 other individuals. These investments were subsequently found to be a form of Ponzi-scheme. Sun Life had not authorized the investments for sale by Approved Persons of Sun Life, and the sales were not conducted through Sun Life’s accounts and facilities. As a result of this the Hearing Panel found that Rush engaged in a securities-related business that was not carried on for the account of the Member and through the facilities of the Member, contrary to MFDA Rules 1.1.1(a) and 2.1.1. The Hearing Panel also found that Rush had continued in another gainful occupation that was not disclosed to and approved by the Member, contrary to MFDA Rule 1.2.1(d), and that Rush failed to comply with the Member’s policies and procedures with respect to engaging in outside business activities, contrary to MFDA Rules 1.1.2, 2.5.1 and 2.1.1. Rush was also found to have failed to cooperate with the MFDA in its investigation, contrary to section 22.1 of MFDA By-law No. 1. The Hearing Panel imposed the following penalties on Rush: (a) permanent prohibition from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member; (b) fine of \$90,000; and (c) costs of \$10,000.

**NOTICE:** This case summary has been prepared by Staff of the MFDA, based upon the previously published Decision and Reasons of an MFDA Hearing Panel presiding over this matter. Every effort is made to ensure that this case summary accurately reflects the content of the Decision and Reasons. However, where there is a discrepancy between this case summary and the Decision and Reasons, the Decision and Reasons will prevail.

DM #424643