



Contact: Hugh Corbett  
Managing Director, Enforcement  
Phone: 416-943-4685  
[hcorbett@mfd.ca](mailto:hcorbett@mfd.ca)

**CASE SUMMARY #201311**  
October 7, 2013

# **MFDA Case Summary**

## **Enforcement**

**This case summary was prepared by Staff of the MFDA.**

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### **Hearing Panel Accepts Settlement with Kelvin Donald Byce**

**Nature of Proceeding** A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) has accepted a settlement agreement between the MFDA and former Approved Person, Kelvin Donald Byce (“Byce”) (“Settlement Agreement”).

**By-Laws, Rules, Policies Violated**

The Hearing Panel considered the Settlement Agreement at a settlement hearing held on August 19, 2013 in Toronto, Ontario.

In the Settlement Agreement, Byce admitted that

1. in March 2012, he falsified one client's signature on one KYC form, contrary to MFDA Rule 2.1.1; and
2. from at least October 9, 2008 to May 8, 2012, he obtained and maintained 23 blank pre-signed forms for 17 clients, contrary to MFDA Rule 2.1.1.

**MFDA Rule 2.1.1** states:

*Standard of Conduct*

Each Member and each Approved Person of a Member shall:

- (a) deal fairly, honestly and in good faith with its clients
- (b) observe high standards of ethics and conduct in the transaction of business;
- (c) not engage in any business conduct or practice which is unbecoming or detrimental to the public interest; and
- (d) be of such character and business repute and have such experience and training as is consistent with the standards described in this Rule 2.1.1, or as may be prescribed by the Corporation.

**Penalty**

In the Settlement Agreement, Byce agreed to the following terms of settlement:

1. fine in the amount of \$5,000, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
2. costs in the amount of \$2,500; and
3. in future comply with MFDA Rule 2.1.1.

**Summary of Facts**

From 2002 to 2012, when he was terminated as a result of the signature falsification and the blank pre-signed forms, Byce was registered in Ontario as a mutual fund salesperson with Royal Mutual Funds Inc. (“Royal Mutual Funds”), a Member of the MFDA. At the material time, Byce carried on business at a Royal Mutual Funds branch located in Thunder Bay, Ontario.

In 2012, Byce successfully completed the CSI Canadian Securities Course, and the CSI Conduct and Practices Handbook.

In February 2013, Byce became a registered representative with BMO Nesbitt Burns Inc., an investment dealer and a Member of IIROC, and remains in that capacity.

**Factors Considered:**

- Byce had no prior disciplinary history with the MFDA.
- The signature falsification that he made to the client’s KYC form did not alter her investing intentions; there was no client complaint; and Byce received no monetary benefit.
- The 23 blank pre-signed forms identified by Royal Mutual Funds consisted of one close/withdrawal form and 22 contribution forms.
- Royal Mutual Funds conducted a supervisory review of the accounts serviced by the Respondent and established that there were no client complaints against the Respondent.

For greater detail, see the Reasons for Decision, dated September 4, 2013, posted on the MFDA’s website in the “Enforcement” section under “Completed Cases”.

DM # 356205