



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

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MFDA Hearing Panel makes findings against Conrad Eagan and issues Decision and Reasons

February 2, 2016 (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) has issued its Decision and Reasons in connection with a disciplinary hearing held in Toronto, Ontario on December 3, 2015, in the matter of Conrad Eagan (the “Respondent”).

In its Decision and Reasons dated February 2, 2016, the Hearing Panel found that the six (6) allegations made against the Respondent in the *Amended* Notice of Hearing dated December 3, 2015, had been established. In particular:

Allegation #1: Between February 2007 and August 2012, the Respondent misappropriated a total of at least \$3,732,775.45 from the following clients and one individual:

- a) between December 15, 2008 and February 22, 2012, the Respondent misappropriated at least \$611,571.41 from the bank account of the estate of client JK and at least \$235,000 of the proceeds from the sale of client JK’s residence;
- b) between February 20, 2007 and April 10, 2008, the Respondent misappropriated at least \$530,000 from the client, estate of PL;
- c) between April 2012 and May 2012, the Respondent misappropriated \$173,346.35 from client JG;
- d) in August 2012, the Respondent misappropriated \$120,657.69 from the account of client LDG;
- e) beginning in November 2013, the Respondent misappropriated at least \$430,000 from the bank account of the estate of client YC; and
- f) between November 12, 2008 and September 18, 2009, the Respondent misappropriated at least \$1,632,200 from client JR.

thereby failing to treat the clients fairly, honestly and in good faith and engaging in conduct unbecoming an Approved Person, contrary to MFDA Rule 2.1.1.

Allegation #2: Between April 2012 and August 16, 2012, the Respondent engaged in personal financial dealings with client JG by borrowing \$173,346.35 from her, which he has failed to repay or otherwise account for, thereby giving rise to a conflict or potential conflict of interest between the Respondent and client JG which the Respondent failed to address by the exercise of responsible business judgment influenced only by the best interests of client JG, contrary to MFDA Rule 2.1.4 and 2.1.1.

Allegation #3: Commencing November 15, 2002, the Respondent acted as the executor of the estates of PL, JK and YC, these estates being clients of the Member, thereby acting upon a general power of attorney or similar authorization from a client in favour of the Respondent, contrary to MFDA Rules 2.3.1(a), 2.1.4 and 2.1.1.

Allegation #4: Between January 2004 and October 2011, the Respondent had and continued in another gainful occupation that was not disclosed to and approved by the Member by preparing wills for clients JK, YC and at least 11 other individuals, contrary to MFDA Rules 1.2.1(c) and 2.1.1.

Allegation #5: Between December 2008 and December 2014, the Respondent made statements and provided documents to the beneficiaries of the estate of client JK, the beneficiaries of the account of the estate of PL, the beneficiaries of the account of the estate of client YC, and client JG, which statements and documents he knew to be false, misleading or incorrect at the time and in the circumstances he made them, in order to deceive the clients and beneficiaries as to the amounts and whereabouts of their investments and monies, contrary to MFDA Rule 2.1.1.

Allegation #6: Commencing on April 10, 2013, the Respondent failed to cooperate with an investigation of his activities by the MFDA by:

- a) making statements to the MFDA during the course of an interview that he knew to be false, misleading or incorrect at the time and in the circumstances he made them; and
- b) failing to fulfill 7 undertakings to produce documents and other information requested by the MFDA during the course of the investigation,

contrary to section 22.1 of MFDA By-law No. 1 and MFDA Rule 2.1.1.

As a consequence, the Hearing Panel has imposed the following sanctions:

- a permanent prohibition of the authority of the Respondent to conduct securities-related business in any capacity over which the MFDA has jurisdiction
- a fine in the amount of \$5,000,000; and
- costs in the amount of \$15,000.

A copy of the [Notice of Hearing](#) is available on the MFDA website at www.mfda.ca. During the period described in the Notice of Hearing, the Respondent carried on business in the Barrie and Toronto, Ontario areas.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 100 Members and their approximately 83,000 Approved Persons with a mandate to protect investors and the public interest. For more information about the MFDA's complaint and enforcement processes, as well as links to 'Check an Advisor' and other Investor Tools, visit the [For Investors](#) page on the MFDA website.

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