



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

**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Purisima Dy

Heard: November 9, 2009 in Toronto, Ontario
Reasons: November 17, 2009

REASONS FOR DECISION

Hearing Panel of the Central Regional Council

The Hon. Edward Saunders, Q.C.
Ron Willis
Petra Sandori

Chair
Industry Representative
Industry Representative

Appearances

Charles Toth) For the Mutual Fund Dealers Association
) of Canada
)

Purisima Dy) Attended Personally
)
)

1. This is a disciplinary hearing commenced by a Notice of Hearing concerning Purisima Dy (the “Respondent”).

2. The Notice contains three allegations but at the hearing counsel for the Mutual Fund Dealers Association of Canada (the “MFDA”) proceeded on the first allegation only which states:

a. “The Respondent was convicted in June 2007 for fraud contrary to s. 380(1)(a) of the *Criminal Code* and thereby failed to observe high standards of ethics and conduct in the transaction of business and be of such character and business repute as is consistent with the standards prescribed by MFDA Rule 2.1.1.”

3. MFDA Rule 2.1.1 provides:

a. “Each Member and each Approved Person of a Member shall:

- i. deal fairly, honestly and in good faith with its clients;
- ii. observe high standards of ethics and conduct in the transaction of business;
- iii. not engage in any business conduct or practice which is unbecoming or detrimental to the public interest; and
- iv. 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.”

4. The conviction of the Respondent following a guilty plea is admitted. The Respondent admitted that between February and April 2006 she knowingly produced fraudulent 2005 income tax returns for 1,190 tax clients that included approximately 1,393 false donation receipts totalling \$3,791,338 thereby defrauding the Government of Canada of tax revenues of \$1,065,922.32.

5. The admitted conduct of the Respondent is in clear violation of the four sub-paragraphs of Rule 2.1.1 and the Panel finds that the first allegation in the Notice of Hearing has been

established.

6. Turning to the penalty, the Staff of the MFDA proposed as an appropriate penalty the revocation of the authority of the Respondent to conduct a securities related business as well as a fine of \$50,000.00 and costs of \$2,500.00. As to the prohibition, the conduct of the Respondent was of such a serious nature that notwithstanding any possible mitigating factors, this is a clear case in our view of prohibiting the Respondent from further activity in this industry.

7. As to the fine, while we have a certain sympathy with the present conditions of the Respondent, her conditions are not a factor when considering the fine. Our task is to determine the appropriate amount of the fine given her conduct and, importantly, to provide a deterrent to others not to engage in similar conduct. Therefore, we accept the submissions of the Staff and impose a fine of \$50,000.00. The costs of \$2,500.00 are reasonable in the circumstances and we would award costs in that amount.

DATED at Toronto, Ontario this 17th day of November, 2009

“Edward Saunders”

The Hon. Edward Saunders, Chair

“Ron Willis”

Ron Willis, Industry Representative

“Petra Sandori”

Petra Sandori, Industry Representative