



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: John Joseph Hanson

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing dated October 21, 2008, the Mutual Fund Dealers Association of Canada (the “MFDA”) announced that it proposed to hold a hearing concerning a disciplinary proceeding commenced by the MFDA against John Joseph Hanson (the “Respondent”). Staff of the MFDA (“Staff”) and the Respondent propose to make a request to the hearing panel of the MFDA Central Regional Council (the “Hearing Panel”) to consider whether, pursuant to section 24.4 of By-law No. 1, the Hearing Panel should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff and the Respondent.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent’s activities. The investigation disclosed that the Respondent had engaged in activity for which the Respondent could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No.1.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part IV herein and consent to the making of an Order in the form attached as Schedule “A”.

4. Staff and the Respondent agree that the terms of this Settlement Agreement, including the attached Schedule “A”, will be released to the public only if and when the Settlement Agreement is accepted by the Hearing Panel.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV herein for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to Part IX) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

IV. AGREED FACTS

Registration History

6. The Respondent was registered in Ontario as a mutual fund salesperson with Farm Mutual Financial Services Inc. (“Farm Mutual”) from October 9, 1997 to January 17, 2008. Between January 6, 1998 and January 17, 2008, the Respondent was also registered as the branch manager of a Farm Mutual branch office located in Exeter, Ontario. The Respondent was first registered as a mutual fund salesperson in Ontario in 1994. The Respondent was not registered in the securities industry in any capacity as of October 20, 2008.

7. Farm Mutual became registered in Ontario as a mutual fund dealer on July 2, 1997 and as a limited market dealer on July 7, 1999. Farm Mutual became a Member of the MFDA on May 10, 2002 and on August 6, 2008 notified the MFDA of its intention to resign from the MFDA. On August 7, 2008, Farm Mutual filed an assignment in bankruptcy under section 49.1 of the *Bankruptcy and Insolvency Act* (Canada).

Background

8. FactorCorp Financial Inc. (“FactorCorp”) held itself out as being in the business of extending credit to companies which purchased accounts receivable from other companies at a discount and then attempted to collect the accounts in full.

9. On June 25, 2003, and again on December 18, 2003, Farm Mutual entered into a distribution agreement with FactorCorp pursuant to which Farm Mutual agreed to promote and distribute debentures issued by FactorCorp (the “Debentures”) to Farm Mutual clients through its Approved Persons.

10. The Debentures offered investors a fixed rate of interest of 6%, 7% or 8% based on one-, two- or three-year terms, respectively.

11. The Debentures were offered to investors in Ontario in reliance on the “accredited investor” exemption set out in section 2.3 of Ontario Securities Commission Rule 45-501 and subsequently National Instrument 45-106.¹

12. In June 2003, Farm Mutual permitted Approved Persons at its branch office located in Chatham to sell the Debentures. In October 2003, Farm Mutual approved the Debentures for sale by Approved Persons at all of its branch offices.

¹ In September 2005, National Instrument 45-106 came into force. Many of the prospectus and registration exemptions previously available under OSC Rule 45-501 were incorporated into NI 45-106. The accredited investor” exemption was amended to a limited extent, however the amendments do not affect the allegations against the Respondents in this proceeding.

13. In September 2003, Farm Mutual's Manager of Compliance & Auditing had distributed materials to Farm Mutual's branch managers describing the Debentures as "highly-secured" and stating that the Debenture funds were "at significantly less risk than typical investments in the equity markets". In October and November 2003, Farm Mutual's President sent emails to the branch managers updating them on Farm Mutual's due diligence review of FactorCorp, stating that Farm Mutual's legal counsel had assessed the Debentures, and describing them as "an outstanding investment opportunity."

14. On November 5, 2003, Farm Mutual's Manager of Compliance & Auditing began approving advertisements describing the Debentures as "fully secured", with "guaranteed rates" and "no market correlation or volatility". Subsequently, from November 2003 through July 2005, Farm Mutual's Manager of Compliance & Auditing approved at least 8 additional similar advertisements, including advertisements describing the Debentures as "secured", as combining attractive growth "with reduced risk versus equity investments", and as "a better alternative to GICs."

15. Based on the aforementioned materials, emails and approved advertisements, the Respondents concluded that Farm Mutual had rated the Debentures as either a low or medium-low risk product.

16. On November 11, 2003, Farm Mutual's Manager of Compliance & Auditing sent an email message to all Farm Mutual branches, the purpose of which was, among other things, to clarify the definition of "accredited investor" in OSC Rule 45-501.

17. In the same email message, the Manager of Compliance & Auditing stated the following:

"Please make sure that any training that is provided to your sales associates stress the proper definition of an accredited investor under OSC Rule 45-501. Any misinterpretation of this rule/definition could result in a non-compliant sales of an exempt product to our clients and leave the

agent, the branch and FMFS the dealer exposed to large financial losses and also put our licensing under review. All exempt products fall in a high risk category as they require more than the basic knowledge for selling mutual funds. There must be a clear understanding by the sales associate of what they are selling and extra due diligence in supervision by the branch manager in reviewing and approving, first of all the account set up for the investor based on the KYC information and secondly the sale of the product supported by the information obtained by the associate from the investor.”

The Respondent states that he read this email as a caution, first, that the sale of any exempt product, including the Debentures, carried significant risk for Farm Mutual if proper procedures for exempt product sales were not followed; and second, that extra due diligence was required by branch managers in the supervision of the sale of such products. The said Respondent states that he did not read it as a statement that the Debentures were high risk securities suitable only for investors with a high risk tolerance, since such an interpretation of the email was inconsistent with statements contained in the aforementioned emails, materials and advertising approvals distributed by Farm Mutual.

18. Between June 25, 2003 and April 1, 2007, 35 Approved Persons of Farm Mutual sold approximately \$52 million of the Debentures to approximately 680 Farm Mutual clients.

19. Of that amount, the Respondent either sold, or was responsible for the supervision of Approved Persons who sold, approximately \$6.7 million of the Debentures to 71 Farm Mutual clients, representing 10% of the Farm Mutual clients who bought the Debentures.

20. At the time the Debentures were sold, Farm Mutual clients were asked to complete a Farm Mutual new account application form, a FactorCorp Subscription Agreement, and a FactorCorp Accredited Investor Status Certificate (collectively, the “Sales Documentation”). In accordance with specific instructions from Farm Mutual, clients were directed to make all cheques payable to FactorCorp.

21. For each sale, the Approved Person provided the Sales Documentation, along with the client's cheque in payment for the Debentures, to the Approved Person's branch manager whose responsibility it was to ensure that the Sales Documentation was complete. In accordance with specific instructions from Farm Mutual, the branch manager then forwarded the Sales Documentation, along with the client's cheque, directly to FactorCorp.

22. In his capacity as branch manager, the Respondent conducted first-tier reviews of these purchases upon receiving the Sale Documentation. The Respondent's first-tier reviews included reviews for suitability, however those reviews were based on:

(a) the Respondent's aforementioned belief that Farm Mutual had rated the Debentures as low or medium-low risk; and

(b) the Respondent's specific training, by Farm Mutual, that the portfolios of clients with low risk tolerance or medium risk tolerance could suitably hold some higher risk investments provided the clients' other assets were predominantly low risk. (However, Staff's investigation did not reveal any evidence that the Respondent had used any calculations or methodology to apply a "portfolio" approach to suitability or any documentary evidence in the client files to this effect.)

Further, Farm Mutual's President had instructed the branch managers in November 2003 that the onus lay on investors who purchased the Debentures to determine whether or not they qualified as accredited investors, and accordingly the Respondent did not conduct detailed reviews to determine this. Instead, the Respondent considered the clients' assets as part of his first-tier review, however that review was based on advice from Farm Mutual that assets such as shares in private farm corporations and farm product quotas could be included as securities for purposes of the accredited investor qualification criteria, and Farm Mutual did not clarify that this advice was incorrect until September 2006.

23. In accordance with specific instructions from Farm Mutual, the Respondent sent the Sales Documentation, including the Know-Your-Client forms (the “KYCs”), to FactorCorp and the Respondent did not forward copies of the Sales Documentation or KYCs to Farm Mutual’s head office, but instead, in accordance with Farm Mutual's specific instructions, the Respondent retained copies of the Sales Documentation and KYCs at the branch offices. At no time did Farm Mutual conduct second-tier suitability reviews of any of the Debentures transactions.

24. On October 31, 2005, the MFDA issued Member Regulation Notice MR-0048 “Know-Your-Product” the purpose of which was to set out Staff’s interpretation and to assist Members and Approved Persons with respect to the approval and sale of investment products. The Notice states, among other things, that “Approved Persons are required to ensure that each order accepted or recommendation made for any account of a client is suitable for the client and in keeping with the client’s investment objectives. Know-your-client requirements are a fundamental part of meeting basic suitability obligations. However, these obligations can only be properly discharged if Approved Persons...also fully understand the products that are being recommended to clients.”

25. FactorCorp suspended redemptions in May 2007. On July 6, 2007, the Ontario Securities Commission issued a temporary cease trade order against FactorCorp Inc. and FactorCorp Financial Inc. (collectively, “FactorCorp”). Conditions of the order included: (i) FactorCorp must engage a monitor to oversee its business, operations and affairs; (ii) no redemptions of the Debentures could be made; and (iii) no further Debentures could be sold. Of the approximately \$52 million invested by Farm Mutual clients in the Debentures, approximately \$49 million remained outstanding and unredeemed at the time of the cease trade order.

26. On August 1, 2007, FactorCorp engaged KPMG Inc. to monitor its business, operations and affairs.

27. On October 17, 2007, KPMG Inc. was appointed as receiver and manager of FactorCorp by the Ontario Superior Court of Justice.

28. On March 25, 2008, by further order of the Court, KPMG Inc. was appointed as trustee in bankruptcy for FactorCorp. A first meeting of creditors was held on April 24, 2008 in London, Ontario.

Suitability and Supervision

29. The Respondent sold the Debentures to 40 Farm Mutual clients. Of the 40 clients who purchased the Debentures, the investment was unsuitable for all of them based on the KYC information collected at the time of purchase. Specifically, the KYC information indicated a risk tolerance of less than “High” for 36 clients, while no risk tolerance information was recorded for the other four clients. In addition, at the time of purchase, 38 of the 40 clients either did not qualify for the accredited investor exemption or there was insufficient information to determine whether they qualified for the exemption.

30. Four Approved Persons under the Respondent’s supervision sold the Debentures to 31 Farm Mutual clients. Of the 31 clients who purchased the Debentures, the purchase was unsuitable for all of them based on the KYC information collected at the time of purchase. Specifically, the KYC information indicated a risk tolerance of less than “High” for 29 of the clients, while no risk tolerance information was collected for two clients. In addition, at the time of purchase, none of the 31 clients qualified for the accredited investor exemption or there was insufficient information to determine whether they qualified for the exemption.

31. While he was a branch manager, the Respondent was paid a salary only and he received no additional remuneration due to sales of the Debentures by him or by the Approved Persons in his branch.

32. The Respondent has had no disciplinary history throughout his 14 years in the investment industry. He has cooperated fully with Staff in their investigation of this matter.

V. CONTRAVENTIONS

33. Farm Mutual has been disciplined for deficiencies in its due diligence assessment of FactorCorp debentures, deficiencies in its approval of FactorCorp debentures for sale to clients, and deficiencies in its supervision of such sales, including its failure to conduct second-tier supervisory reviews.² The Respondent's contraventions, as admitted to below, occurred in the context of those deficiencies and, in large part, as a result of those deficiencies.

34. The Respondent admits that between June 25, 2003 and April 1, 2007, the Respondent, in his capacity as an Approved Person of Farm Mutual, conducted sales of exempt securities – specifically FactorCorp debentures – using training and information provided by the Respondent's Member, Farm Mutual, and as a result of deficiencies in that training and deficiencies in that information the Respondent sold FactorCorp debentures to clients who did not qualify as accredited investors in accordance with Ontario Securities Commission Rule 45-501 and subsequently National Instrument 45-106 and to clients whose risk tolerance was less than high, thereby contravening MFDA Rule 2.1.1(c) and thereby engaging the jurisdiction of the Hearing Panel to impose a penalty on the Respondent pursuant to s. 24.1.1(h) of By-Law No. 1.

35. The Respondent admits that between June 25, 2003 and April 1, 2007, the Respondent, in his supervisory capacity as a branch manager of Farm Mutual, complied with a directive from Farm Mutual to send all FactorCorp debenture sales documentation, including KYCs, directly to FactorCorp and not to Farm Mutual's head office, and in so complying the Respondent failed to discern that Farm Mutual's Compliance department

² Notice of Hearing re: Farm Mutual Financial Services Inc. dated June 2, 2008 and *Farm Mutual Financial Services Inc. (Re)*, [2008] MFDA Hearing Panel of the Central Regional Council, Hearing Panel Decision dated April 24, 2009, File No. 200812.

and its senior management were rendering themselves incapable of conducting second-tier reviews necessary for Farm Mutual to properly supervise client accounts, thereby contravening MFDA Rule 2.5.3(b)(i) and thereby engaging the jurisdiction of the Hearing Panel to impose a penalty on the Respondent pursuant to s. 24.1.1(h) of By-Law No. 1.

36. In making these admissions, the Respondent acknowledges that his regulatory obligations as a mutual fund salesperson and a branch manager were not limited to the training and information he received from Farm Mutual with respect to the risks associated with the FactorCorp debentures but extended to include a knowledge of the essential regulatory framework associated with the sale of exempt securities and an understanding of his Member's capacity to conduct second-tier reviews.

VI. TERMS OF SETTLEMENT

37. The Respondent agrees to the following terms of settlement:

- (a) The Respondent shall be reprimanded, pursuant to section 24.1.1(a) of By-law No. 1;
- (b) The Respondent shall be prohibited from conducting any securities related business in any capacity while in the employ of, or in association with, any MFDA Member for a period of one year, pursuant to section 24.1.1(e) of By-law No. 1;
- (c) In the event that the Respondent seeks to become an Approved Person of a MFDA Member, the Respondent shall successfully complete the IFSE (IFIC) Mutual Fund Dealer Compliance course prior to becoming an Approved Person unless he has already done so within the last three (3) years from the date that the Respondent seeks to become an Approved Person, pursuant to section 24.1.1(f) of By-law No. 1;
- (d) In the event that the Respondent becomes an Approved Person of a MFDA Member, the Respondent is prohibited from acting in a supervisory

capacity including specifically from acting as a branch manager or an alternate branch manager, compliance officer or UDP, for a period of seven (7) years from the date of commencing to be an Approved Person, pursuant to section 24.1.1(f) of By-law No. 1;

- (e) In the event that the Respondent becomes an Approved Person of a MFDA Member, the Respondent shall successfully complete a six (6) month period of close supervision from the date of commencing to be an Approved Person, pursuant to section 24.1.1(f) of By-law No. 1;
- (f) The Respondent will attend in person or by teleconference, on the date set for the Settlement Hearing.

VII. STAFF COMMITMENT

38. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts set out in Part IV and the contraventions described in Part V of this Settlement Agreement, subject to the provisions of Part IX below. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any facts and contraventions that are not set out in Parts IV and V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions set out in Parts IV and V, whether known or unknown at the time of settlement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

39. Acceptance of this Settlement Agreement shall be sought at a hearing of the Central Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent.

40. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the settlement hearing. Staff and the Respondent also agree that if this

Settlement Agreement is accepted by the Hearing Panel, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive his rights to a full hearing, a review hearing before the Board of Directors of the MFDA or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction.

41. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, then the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with s. 24.5 of By-law No. 1.

42. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement. Nothing in this section is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against them.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

43. If this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under the By-laws of the MFDA against the Respondent based on, but not limited to, the facts set out in Part IV of the Settlement Agreement, as well as the breach of the Settlement Agreement. If such additional enforcement action is taken, the Respondent agrees that the proceeding(s) may be heard and determined by a hearing panel comprised of all or some of the same members of the hearing panel that accepted the Settlement Agreement, if available.

X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

44. If, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel or an Order in the form attached as Schedule "A" is not made by the Hearing Panel, each of Staff and the Respondent will be entitled to any available proceedings, remedies and challenges, including proceeding to a disciplinary hearing pursuant to sections 20 and 24 of By-law No. 1, unaffected by this Settlement Agreement or the settlement negotiations.

45. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the MFDA of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

XI. DISCLOSURE OF AGREEMENT

46. The terms of this Settlement Agreement will be treated as confidential by the parties hereto until accepted by the Hearing Panel, and forever if, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel, except with the written consent of the Respondent and Staff or as may be required by law.

47. Any obligations of confidentiality shall terminate upon acceptance of this Settlement Agreement by the Hearing Panel.

XII. EXECUTION OF SETTLEMENT AGREEMENT

48. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

49. A facsimile copy of any signature shall be effective as an original signature.

Dated: July 2, 2010

“Mike Hansen”

Witness - Signature

Mike Hansen

Witness - Print name

“John Hanson”

John Joseph Hanson

“Shaun Devlin”

Staff of the MFDA

Per: Shaun Devlin

Vice-President, Enforcement



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: John Joseph Hanson

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of John Joseph Hanson (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (the "Settlement Agreement"), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to ss. 20 and 24.1 of By-law No. 1;

AND WHEREAS Farm Mutual Financial Services Inc. ("Farm Mutual") has been disciplined for deficiencies in its due diligence assessment of FactorCorp Financial Inc. ("FactorCorp") debentures, deficiencies in its approval of FactorCorp debentures for sale to clients, and deficiencies in its supervision of such sales, including its failure to conduct second-tier supervisory reviews. The Respondent's contraventions, as admitted to in this proceeding, occurred in the context of those deficiencies and, in large part, as a result of those deficiencies.

AND WHEREAS in making these admissions, the Respondent acknowledges that his regulatory obligations as a mutual fund salesperson and a branch manager were not limited to the training and information he received from Farm Mutual with respect to the risks associated with the FactorCorp debentures but extended to include a knowledge of the essential regulatory framework associated with the sale of exempt securities and an understanding of his Member's capacity to conduct second-tier reviews.

AND WHEREAS the Hearing Panel is of the opinion that:

- (i) Between June 25, 2003 and April 1, 2007, the Respondent, in his capacity as an Approved Person of Farm Mutual, conducted sales of exempt securities – specifically FactorCorp debentures – using training and information provided by the Respondent's Member Farm Mutual, and as a result of deficiencies in that training and deficiencies in that information the Respondent sold FactorCorp debentures to clients who did not qualify as accredited investors in accordance with Ontario Securities Commission Rule 45-501 and subsequently National Instrument 45-106 and to clients whose risk tolerance was less than high, thereby contravening MFDA Rule 2.1.1(c) and thereby engaging the jurisdiction of the Hearing Panel to impose a penalty on the Respondent pursuant to s. 24.1.1(h) of By-Law No. 1.
- (ii) Between June 25, 2003 and April 1, 2007, the Respondent, in his supervisory capacity as a branch manager of Farm Mutual, complied with a directive from Farm Mutual to send all FactorCorp debenture sales documentation, including KYCs, directly to FactorCorp and not to Farm Mutual's head office, and in so complying the Respondent failed to discern that Farm Mutual's Compliance department and its senior management were rendering themselves incapable of conducting second-tier reviews necessary for Farm Mutual to properly supervise client accounts, thereby contravening MFDA Rule 2.5.3(b)(i) and thereby engaging the jurisdiction of the Hearing Panel to impose a penalty on the Respondent pursuant to s. 24.1.1(h) of By-Law No. 1.

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

1. If at any time a non-party to this proceeding requests production of or access to exhibits in this proceeding that contain intimate financial or personal information, 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 intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*;
2. The Respondent shall be reprimanded, pursuant to section 24.1.1 (a) of By-law No. 1;
3. The Respondent shall be prohibited from conducting any securities related business in any capacity while in the employ of, or in association with, any MFDA Member for a period of one year, pursuant to section 24.1.1(e) of By-law No. 1;
4. In the event that the Respondent seeks to become an Approved Person of a MFDA Member, the Respondent shall successfully complete the IFSE (IFIC) Mutual Fund Dealer Compliance course prior to becoming an Approved Person unless he has already done so within the last three (3) years from the date that the Respondent seeks to become an Approved Person, pursuant to section 24.1.1(f) of By-law No. 1;
5. In the event that the Respondent becomes an Approved Person of a MFDA Member, the Respondent is prohibited from acting in a supervisory capacity including specifically from acting as a branch manager or an alternate branch manager, compliance officer or UDP, for a period of seven (7) years from the date of commencing to be an Approved Person, pursuant to section 24.1.1(f) of By-law No. 1;
6. In the event that the Respondent becomes an Approved Person of a MFDA Member, the Respondent shall successfully complete a six (6) month period of close supervision from the date of commencing to be an Approved Person, pursuant to section 24.1.1(f) of By-law No. 1;
7. The Respondent will attend in person or by teleconference, on the date set for the Settlement Hearing.

DATED this [day] day of [month], 2010.

Per: _____
The Hon. Edward Saunders, Q.C., Chair

Per: _____
Jeanne Beverly, Industry Representative

Per: _____
Linda J. Anderson, Industry Representative

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