



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: Michel Joseph Landry

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (the “MFDA”) will announce that it proposes to hold a hearing to consider whether, pursuant to section 24.4 of MFDA By-law No. 1, a Hearing Panel of the Central Regional Council of the MFDA (the “Hearing Panel”) should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and Michel Joseph Landry (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 consents 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. Prior to his voluntary resignation on January 31, 2012, the Respondent was registered in Ontario (since July 23, 1999), Alberta and British Columbia (since April 16, 2010) as an Alternate Compliance Officer, Shareholder and Dealing Representative with Independent Accountants Investment Group Inc. (“IAIG”).

7. The Respondent was registered as the Compliance Officer of IAIG between July 1999 and February 2006. The Respondent was registered as a Branch Manager with IAIG between October 21, 2003 and June 21, 2011.

8. At the material time, the Respondent carried on business from IAIG’s branch office located in Listowel, Ontario.

9. At the material time, the Respondent was a shareholder of the company that owned IAIG.
10. The Respondent is currently registered, as an Officer, Director and Ultimate Designated Person in Ontario (since 2003) and as an Ultimate Designated Person in Alberta and British Columbia (since 2010) with Independent Accountants Investment Counsel Inc. (“IAIC”). IAIC is a Portfolio Manager and is not a Member of the MFDA.
11. The Respondent is not currently registered in the mutual fund industry.

Background

12. In October 2008, MFDA Staff issued a warning letter to the Respondent in respect of the use of pre-signed forms as a result of a finding made during the course of MFDA Compliance Staff’s second-round compliance examination of IAIG.
13. In or around May 2010, MFDA Compliance Staff conducted its third-round compliance examination of IAIG, which included a review of the branch office located in Listowel, Ontario, covering the period March 1, 2008 to March 31, 2010 (the “2010 Examination”). The 2010 Examination identified 11 pre-signed forms in nine of the Respondent’s client files.
14. On or about September 15, 2010, and in response to the 2010 Examination, IAIG completed a review of the client files of all Approved Persons at the Listowel branch office (the “IAIG Review”) in an attempt to find and remove any pre-signed forms from client files. The IAIG Review identified 19 pre-signed forms in 10 of the Respondent’s client files, which IAIG voluntarily provided to Staff.
15. On or about September 30, 2010, MFDA Enforcement Staff conducted an unannounced on-site inspection of the Listowel branch office and reviewed 78 of the Respondent’s client files (the “Staff Review”). The Staff Review identified three pre-signed forms in three of the Respondent’s client files.

The Respondent's Misconduct

16. The 2010 Examination, the IAIG Review and the Staff Review identified a total of 33 pre-signed forms in a total of 22 of the Respondent's client files as follows:

No.	Client(s)	Form(s)
1	DW	(1) Blank signed IAIG Mutual Fund Transaction Form (1) Blank signed CRA T2033 Direct Transfer Form
2	HT	(1) Blank signed MRS Deregistration/Withdrawal Request Form
3	PD	(2) Blank signed CRA T2033 Direct Transfer Form
4	SS	(1) Blank signed CRA T2033 Direct Transfer Form
5	BM	(1) Fax copy of blank signed IAIG Mutual Fund Transaction Form dated March 3, 2010 with instructions to redeem all of Fund CI6116 written in pen
6	GV & HV	(1) IAIG Client Information and Consent Form with original signatures cut and taped to form
7	KF & GV	(1) IAIG Client Information and Consent Form with original signatures cut and taped to form
8	PT & TT	(1) Blank signed MRS Transfer Form
9	HGW	(1) Blank signed Client Information Change Form
10	JG & LG	(2) Photocopy of blank IAIG Mutual Fund Transaction Form signed by JG (2) Photocopy of blank IAIG Mutual Fund Transaction Form signed by JG&LG
11	HE & PE	(1) Blank signed MRS Deregistration/Withdrawal Request Form signed by HE&PE (1) Blank signed MRS Deregistration/Withdrawal Request Form with instructions to redeem \$100,000 in pen signed by HE&PE (1) Blank MRS Deregistration/Withdrawal Request Form signed by PE (2) Blank IAIG Mutual Fund Transaction Form signed by PE
12	DC&WC	(1) Blank signed IAIG Mutual Fund Transaction Form
13	AC	(1) Blank signed MRS Deregistration/Withdrawal Request Form
14	BLC(MB)	(1) Fax copy of MRS Deregistration/Withdrawal Request Form with client signature and instructions to sell \$10,000 - FID259 written in pen dated Nov. 30, 2009 (1) Photocopy of MRS Deregistration/Withdrawal Request Form with client signature and instructions to sell \$10,000 - FID259 written in pen dated Feb. 16, 2010
15	BH	(1) Blank signed AGF Harmony Application Form
16	ML & RL	(1) Blank CRA T2033 Direct Transfer Form signed by ML (1) Blank CRA T2033 Direct Transfer Form signed by RL
17	SY	(1) Blank signed IAIG Non-Financial Account Change Form
18	RJ	(1) Blank signed IAIG Mutual Fund Transaction Form
19	Unidentified Client	(1) Blank signed IAIG Mutual Fund Transaction Form
20	DA	(1) Fax copy of signed MRS Deregistration/Withdrawal Request Form with instructions to sell \$4,000 - NWT201 written in pen dated Jan. 19, 2010
21	JW	(1) Fax copy of RESP Educational Assistance Payment Form with instructions written in pen
22	BLC (MB)	(1) Fax copy of MRS Deregistration/Withdrawal Request Form with client signature and instruction to sell \$3,000
		(33)

17. The pre-signed forms were either blank or partially completed. The Respondent obtained, maintained and in some cases used pre-signed forms in order to process transactions in client account.

18. The Respondent obtained, maintained and used blank or partially completed pre-signed IAIG Mutual Fund Transaction Forms and MRS Deregistration/Withdrawal Request Forms to facilitate and expedite redemptions for clients who made frequent withdrawals from their accounts. In particular, on occasions when the Respondent was out of the office, partially completed pre-signed forms were provided to clients for signature by the Respondent's assistants in accordance with the Respondent's instructions. The Respondent subsequently entered the fund code information for the transaction.

19. The Respondent obtained, maintained and used blank pre-signed CRA T2033 Direct Transfer Forms to facilitate and expedite the repurchase of GIC investments upon a client's existing GIC investment reaching maturity.

20. The Respondent used some of the partially completed pre-signed forms to process redemptions in the accounts of clients BM, HE&PE, BLC (MB), DA and JW on or about 7 occasions as follows:

Client	Form	Amount of Redemption	Date Transaction Processed
BM	(1) IAIG Mutual Fund Transaction Form	\$88,889.15	March 5, 2010
BLC (MB)	(1) MRS Deregistration/Withdrawal Request	\$10,000	Dec. 1, 2009
	(1) MRS Deregistration/Withdrawal Request Form	\$10,000	Feb. 16, 2010
	(1) MRS Deregistration/Withdrawal Request Form	\$3,000	April 6, 2010
HE&PE	(1) MRS Deregistration/Withdrawal Request Form	\$100,000	July 28, 2009
DA	(1) MRS Deregistration/Withdrawal Request Form	\$4,000	Jan. 19, 2010
JW	(1) RESP Educational Assistance Payment Form	\$650	Aug. 4, 2010

21. There have been no client complaints and no known client losses concerning the Respondent's use of the pre-signed forms.

22. The Respondent has cooperated with Staff's investigation of this matter.

V. CONTRAVENTIONS

23. The Respondent admits that:

- (i) Between at least March 1, 2008 and September 30, 2010, he obtained and/or maintained 33 pre-signed forms in respect of 22 different client accounts and used the forms to process redemptions in the accounts on or about 7 occasions, contrary to MFDA Rule 2.1.1.

VI. TERMS OF SETTLEMENT

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

- (i) the Respondent shall pay a fine in the amount of \$20,000;
- (ii) the Respondent shall pay costs in the amount of \$5,000;
- (iii) the Respondent shall attend in person at the Settlement Hearing; and,
- (iv) the Respondent shall write or re-write and pass an appropriate industry course acceptable to MFDA Staff, prior to being registered in the mutual fund industry, pursuant to s. 24.1.1(f) of MFDA By-law No. 1.

VII. STAFF COMMITMENT

25. 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 or 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

26. 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.

27. 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 right 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.

28. 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.

29. 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 him.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

30. 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 section 24.3 of 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 proceedings 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

31. 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.

32. 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

33. 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 both the Respondent and Staff or as may be required by law.

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

XII. EXECUTION OF AGREEMENT

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

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

Dated: August 10, 2012.

“Lee-Ann Tucker”
Witness – Signature

Lee-Ann Tucker
Witness - Print name

“Michel Joseph Landry”
Michel Joseph Landry

“Shaun Devlin”
Staff of the MFDA
Per: Shaun Devlin
Vice-President, Enforcement



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Re: Michel Joseph Landry

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 [Respondent] (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 UPON READING the Settlement Agreement, the written submissions of Staff and upon hearing the oral submissions of Staff and Counsel for the Respondent, the Hearing Panel is of the opinion that the Respondent:

- (i) Between at least March 1, 2008 and September 30, 2010, obtained and/or maintained 33 pre-signed forms in respect of 22 different client accounts and used the forms to process redemptions in the accounts on or about 7 occasions, contrary to MFDA Rule 2.1.1.

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

1. the Respondent shall pay a fine in the amount of \$20,000;
2. the Respondent shall pay costs in the amount of \$5,000;
3. the Respondent shall write or re-write and pass an appropriate industry course acceptable to MFDA Staff, prior to being registered in the mutual fund industry, pursuant to s. 24.1.1(f) of MFDA By-law No. 1; and,
4. if at any time a non-party to this proceeding requests production of, or access to, any materials filed in, or the record of, this proceeding, including all exhibits and transcripts, then the MFDA Corporate Secretary shall not provide copies of, or access to, the requested documents 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*.

DATED this [day] day of [month], 20[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]