



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: Sofela Kehinde Sowunmi

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 s. 24.4 of MFDA By-law No. 1 (“By-law No. 1”), a hearing panel of the Central Regional Council (“Hearing Panel”) of the MFDA should accept the settlement agreement (“Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and the Respondent, Sofela Kehinde Sowunmi (“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 X) 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. From August 7, 2008 to November 4, 2011 when he was terminated, the Respondent was registered in Ontario, Alberta, and New Brunswick as a mutual fund salesperson (subsequently known as a dealing representative) with WFG Securities of Canada Inc. (“WFG”), a Member of the MFDA¹.

7. From November 12, 2008 to November 4, 2011, the Respondent was also registered as a Scholarship Plan Dealer with WFG.

¹ Effective July 1, 2013, WFG changed its name to Transamerica Securities Inc.

8. From November 5, 2011 to August 1, 2012, the Respondent was not registered in the mutual fund industry.

9. On August 2, 2012, the Respondent was reinstated as a dealing representative and Scholarship Plan Dealer with WFG and continues to be registered in those capacities. At the time the Respondent was reinstated, WFG placed him under strict supervision for a minimum period of 24 months.

10. At all material times, the Respondent has operated out of a WFG branch located in Mississauga, Ontario (“Branch”).

Pre-Signed Forms

11. On September 15, 2011, WFG compliance staff conducted an on-site audit of the Branch (“Audit”).

12. During the Audit, WFG compliance staff found that the Respondent had obtained blank or partially completed pre-signed forms, and used the forms to process trades in client accounts. WFG subsequently contacted all of the clients where the Respondent had used blank or partially completed pre-signed forms to process trades, and confirmed that the clients had authorized all transactions executed in their accounts.

13. From July 2009 to October 2010, the Respondent obtained and used 14 blank or partially completed pre-signed forms to process 9 transactions for 4 clients. In each case, the client gave verbal instructions to the Respondent for the redemption, as follows:

Client	Date	Type of Form
OA & OA	September 15, 2010	B2B Trust Investment Loans Redemption/Purchase Form
OA & OA	September 15, 2010	WFG Trade Ticket
OA & OA	September 23, 2010	WFG Trade Ticket
OA & OA	September 15, 2010	B2B Trust Investment Loans Redemption/Purchase Form
OA & OA	September 23, 2010	WFG Trade Ticket

Client	Date	Type of Form
DA	September 15, 2010	B2B Trust Investment Loans Redemption/Purchase Form
DA	September 15, 2010	WFG Trade Ticket
AA & OA	July 28, 2009	B2B Trust Financial Account Changes Form
AA & OA	July 28, 2009	WFG Trade Ticket
AA & OA	July 28, 2009	WFG Trade Ticket
AA & OA	July 28, 2009	B2B Trust Financial Account Changes Form
AA	August 9, 2010	WFG Trade Ticket
AA	August 9, 2010	B2B Trust Investment Loans Redemption/Purchase Form
AA	October 14, 2010	WFG Trade Ticket

14. At the material time, WFG's policies and procedures prohibited the use of blank or partially completed pre-signed forms.

15. On August 12 and 13, 2012, WFG compliance staff conducted a follow-up audit of the Branch. The follow-up audit did not identify any further instances where the Respondent used blank signed forms or altered forms.

16. No clients have complained to WFG or the MFDA in connection with the matters described in this Settlement Agreement.

17. The Respondent has no prior disciplinary history with the MFDA. He has cooperated with Staff during the course of the investigation, and by agreeing to this settlement, has avoided the necessity of the MFDA conducting a full hearing on the merits.

V. CONTRAVENTIONS

18. The Respondent admits that from July 2009 to October 2010, he obtained and used 14 blank or partially completed pre-signed forms to process 9 transactions for 4 clients, contrary to MFDA Rule 2.1.1.

VI. TERMS OF SETTLEMENT

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

- a) the Respondent shall pay a fine in the amount of \$2,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- b) the Respondent shall pay costs in the amount of \$1,000, pursuant to s. 24.2 of MFDA By-law No. 1;
- c) the Respondent shall attend at the Settlement Hearing, by teleconference or in person;
and
- d) the Respondent shall in future comply with MFDA Rule 2.1.1.

VII. STAFF COMMITMENT

20. 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 X 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 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

21. 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 Staff and the Respondent.

22. 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.

23. 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.

24. 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

25. If this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honor any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under section 24.3 By-law No. 1 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

26. 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 ss. 20 and 24 of By-law No. 1, unaffected by this Settlement Agreement or the settlement negotiations.

27. 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

28. 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.

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

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated this 15th day of January, 2014.

Abisola Sowunmi

Witness – Signature

“Sofela Kehinde Sowunmi”

Sofela Kehinde Sowunmi

“Abisola Sowunmi”

Witness - Print name

“Shaun Devlin”

Staff of the MFDA

Per: Shaun Devlin

Senior Vice-President,

Member Regulation – Enforcement

Schedule "A"

Order

File No. 201328



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ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Settlement Hearing pursuant to s. 24.4 of MFDA By-law No. 1 ("By-law No. 1") in respect of Sofela Kehinde Sowunmi ("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 the Hearing Panel is of the opinion that the Respondent, from July 2009 to October 2010, obtained and used 14 blank or partially completed pre-signed forms to complete 9 transactions for 4 clients, contrary to MFDA Rules 1.1.2 and 2.5.1, and 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 \$2,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
2. the Respondent shall pay costs in the amount of \$1,000, pursuant to s. 24.2 of MFDA By-law No. 1;
3. the Respondent shall in future comply with MFDA Rule 2.1.1; 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]