



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: Mary Laretta Stanley-Beitz

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. On December 9, 2014, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of a disciplinary proceeding commenced against Mary Laretta Stanley-Beitz (the “Respondent”).

2. A Hearing in this matter shall take place before a hearing panel of the Central Regional Council (the “Hearing Panel”) on April 20, 2015, at which time, the Hearing Panel will consider whether, pursuant to section 24.4 of MFDA By-law No. 1, the Hearing Panel should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and the Respondent.

II. JOINT SETTLEMENT RECOMMENDATION

3. 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.

4. 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".

5. 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

6. 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

7. The Respondent had been registered in the mutual fund industry since August 1997.

8. On or about May 2, 2008, the Respondent became registered in Ontario as a mutual fund salesperson/dealing representative with Credential Asset Management Inc. ("Credential"), a

Member of the MFDA. On or about June 7, 2013, the Respondent was terminated by Credential as a result of the events described herein. The Respondent is currently not registered in the securities industry in any capacity.

9. At all material times, the Respondent carried on business from a branch office of Credential located in Kincardine, Ontario.

Pre-Signed Account Forms

10. At all material times, Credential's policies and procedures prohibited its Approved Persons from using pre-signed blank or partially completed forms to conduct business.

11. On or about November 27, 2012, the Respondent commenced a short-term leave of absence. During the Respondent's leave, another advisor with Credential serviced the Respondent's client accounts.

12. On or about February 28, 2013, the advisor that was servicing the Respondent's client accounts found a partially completed pre-signed Transfer Authorization form in a client file. The advisor reported the incident to Credential.

13. On or about March 4, 2013, Credential commenced an investigation, which included a review of all of the Respondent's client files. During this review, Credential identified 174 pre-signed blank or partially completed account forms, including account application, trading and Know-Your-Client forms, in respect of 70 client files. Credential also identified two blank or partially completed pre-signed Transfer Authorization forms which had been used by the Respondent to process transactions.

14. During the course of its investigation, Credential contacted all of the clients serviced by the Respondent and confirmed that the clients had authorized the activity in their accounts, the clients had received the proceeds of any redemptions processed by the Respondent, and the Know-Your-Client information recorded by the Respondent on client account forms was accurate.

15. On or about June 4, 2013, the Respondent returned to Credential from her leave of absence. The Respondent was notified of Credential's investigation and questioned with respect to the use of pre-signed blank or partially completed forms described above.

16. On or about June 7, 2013, the Respondent admitted to Credential that she had obtained and maintained pre-signed blank or partially completed account forms, and that she had used blank pre-signed forms to process transactions on the two occasions identified by Credential. As a result, Credential immediately terminated the Respondent

Additional Factors

17. No clients serviced by the Respondent have complained about her conduct.

18. There is no evidence that any clients suffered any financial harm as a result of the Respondent's conduct.

19. There is no evidence that the Respondent engaged in discretionary or unauthorized trading activity, or updated Know-Your-Client information without the knowledge or authorization of clients.

20. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above, beyond the commissions or fees she would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

21. The Respondent cooperated with Credential's internal investigation into her conduct.

22. The Respondent has expressed remorse for her actions. The Respondent states that, at the time of her misconduct, she was caring for three terminally ill family members who are now deceased, and her files were not handled with the level of fastidiousness that she had maintained in the past.

23. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

24. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources and expenses associated with conducting a full disciplinary hearing.

V. CONTRAVENTIONS

25. The Respondent admits that, between 2010 and November 2012, she obtained, maintained and, in some instances, used to process transactions, 174 pre-signed blank or partially completed forms in respect of 70 client accounts, contrary to MFDA Rule 2.1.1.

VI. TERMS OF SETTLEMENT

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

- (a) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of six (6) months, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
- (b) the Respondent shall pay a fine in the amount of \$2,500, pursuant to section 24.1.1(b) of By-law No. 1; and
- (c) the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1.

VII. STAFF COMMITMENT

27. 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 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

28. 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.

29. 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 her 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.

30. 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.

31. 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 her.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

32. 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 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

33. 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.

34. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that it she 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

35. 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.

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

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 10th day of April, 2015.

“Mary Laretta Stanley-Beitz”

Mary Laretta Stanley-Beitz

“Karen E. Jacques”

Witness - Signature

“Karen E. Jacques”

Witness - Print name

“Shaun Devlin”

Staff of the MFDA

Per: Shaun Devlin

Senior Vice-President, Member Regulation - Enforcement



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ORDER

WHEREAS on December 9, 2014, the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of a disciplinary proceeding commenced against Mary Laretta Stanley-Beitz (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 the Hearing Panel is of the opinion that, between 2010 and November 2012, the Respondent obtained, maintained and, in some instances, used to process transactions, 174 pre-signed blank or partially completed forms in respect of 70 client accounts, 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 be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of six (6) months, pursuant to section 24.1.1(e) of MFDA By-law No. 1;
2. the Respondent shall pay a fine in the amount of \$2,500, pursuant to section 24.1.1(b) of By-law No. 1;
3. the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
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], 2015.

Name,
Chair

Name,
Industry Representative

Name,
Industry Representative

DM #424271