



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: Jacqueline Ann Meunier and Lori Gay Bandola

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and Jacqueline Ann Meunier (“Meunier”) and Lori Gay Bandola (“Bandola”) (together the “Respondents”), consent and agree to settlement of this matter by way of this agreement (the “Settlement Agreement”).

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

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondents jointly recommend that the Hearing Panel accept the Settlement Agreement.

4. Meunier admits that:
 - a) on or about October 19, 2011, she altered and used to process a transaction, one client account form by altering information on the client account form without having the client initial the alteration, contrary to MFDA Rule 2.1.1; and
 - b) between May 8, 2012 and September 2, 2014, she, or her assistant for whom she was responsible, obtained, possessed and used to process transactions, 29 pre-signed account forms in respect of 20 clients, contrary to MFDA Rule 2.1.1.

5. Bandola admits that between February 3, 2014 and November 18, 2014, she obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of 10 clients, contrary to MFDA Rule 2.1.1.

6. Staff and the Respondents agree and consent to the following terms of settlement:
 - a) Meunier shall pay a fine in the amount of \$8,500 upon acceptance of this Settlement Agreement, pursuant to section 24.1.1(b) of By-law No. 1;
 - b) Bandola shall pay a fine in the amount of \$5,000, pursuant to section 24.1.1(b) of By-law No. 1, payable as follows:
 - i. \$3,000 upon acceptance of this Settlement Agreement;
 - ii. \$1,000 by no later than three months from the date of the settlement hearing; and
 - iii. \$1,000 by no later than six months from the date of the settlement hearing;
 - c) the Respondents shall jointly pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
 - d) the Respondents shall in the future comply with MFDA Rule 2.1.1; and
 - e) the Respondents will attend in person on the date set for the Settlement Hearing.

7. Staff and the Respondents agree to the settlement on the basis of the facts set out in Part III herein and consent to the making of an Order in the form attached as Schedule "A".

III. AGREED FACTS

Registration History

8. Since March 3, 2010, Meunier has been registered in Alberta as a mutual fund dealing representative with Sun Life Financial Investment Services (Canada) Inc. (“Sun Life”), a Member of the MFDA.

9. From August 2010 to June 2013, Bandola worked as an assistant to Meunier. In July 2013, Bandola became registered as an Approved Person with Sun Life, and worked as a registered assistant to Meunier.

10. At all material times, Meunier and Bandola conducted business in the Barrhead, Alberta area.

Altered Account Form

11. At all material times, Sun Life’s policies and procedures prohibited its Approved Persons from using altered or pre-signed account forms.

12. On or about October 19, 2011, Meunier altered a Know-Your-Client (“KYC”) form for one client by altering the client signature date, and submitting the altered KYC form to Sun Life for processing, without having the client initial the alteration.

13. The KYC form was processed in accordance with client instructions.

Pre-Signed Account Forms

14. Between May 8, 2012 and September 2, 2014, Meunier or her assistant, Bandola, for whom she was responsible, obtained, possessed and used to process transactions, 29 pre-signed account forms in respect of 20 clients.

15. The pre-signed forms were comprised of:
- a) 3 Education Savings Plan Application Forms;
 - b) 3 KYC Forms;
 - c) 1 Limited Trade Authorization Form;
 - d) 2 Order Tickets;
 - e) 17 Pre-authorized Chequing (PAC) Forms;
 - f) 1 RESP Transfer Form; and
 - g) 2 Transfer Authorization for Registered Investments Forms.
16. Between February 3, 2014 and November 18, 2014, Bandola obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of 10 clients.
17. The 17 pre-signed forms were comprised of:
- a) 3 Education Savings Plan Application Forms;
 - b) 1 Limited Trade Authorization Form; and
 - c) 13 Pre-authorized Chequing (PAC) Forms.
18. The Respondents obtained pre-signed forms for client convenience, or altered the form at issue in order to correct errors in the form.

Member Response

19. On May 20 and 21, 2015, Sun Life reviewed all of the client files maintained by Meunier and Bandola.
20. On June 30, 2015, Sun Life sent letters to all clients for whom pre-signed or altered forms were identified to determine whether Meunier and Bandola engaged in any unauthorized trading activity in the accounts of the clients. No clients responded to Sun Life.

21. Sun Life sent warning letters to Meunier and to Bandola on August 18, 2015, and August 24, 2015, respectively. Sun Life required that Meunier and Bandola successfully complete an industry course.

22. On August 24, 2015, Sun Life placed Meunier and Bandola under close supervision. Sun Life conducted random audits of the client accounts maintained by Meunier and Bandola, as well as quarterly audits of their branch office. Sun Life did not identify any compliance concerns.

Additional Factors

23. The Respondents have no prior disciplinary history with the MFDA.

24. There is no evidence of client harm or lack of client authorization in this matter.

25. There is no evidence that the Respondents received any financial benefit from engaging in the misconduct beyond the commissions or fees to which they would have been ordinarily entitled had the transactions in the clients' accounts been carried out in the proper manner.

26. The Respondents have expressed remorse for their misconduct and have cooperated fully with Staff during the course of the investigation, and by agreeing to this settlement, have avoided the necessity of a full hearing on the merits.

IV. ADDITIONAL TERMS OF SETTLEMENT

27. This settlement is agreed upon in accordance with section 24.4 of MFDA By-law No. 1 and Rules 14 and 15 of the MFDA Rules of Procedure.

28. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (the "Settlement Hearing"). At, or following the conclusion of, the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement.

29. The Settlement Agreement shall become effective and binding upon the Respondents and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondents are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence, upon the effective date of the Settlement Agreement.

30. Staff and the Respondents agree that if this Settlement Agreement is accepted by the Hearing Panel:

- a) the Settlement Agreement will constitute the entirety of the evidence to be submitted respecting the Respondents in this matter;
- b) the Respondents waive any 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;
- c) Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondents in respect of the facts and the contraventions described in this Settlement Agreement. 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. Furthermore, nothing in this Settlement Agreement shall relieve the Respondents from fulfilling any continuing regulatory obligations;
- d) the Respondents 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; and
- e) neither Staff nor the Respondents 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 the Respondent.

31. If, for any reason, this Settlement Agreement is not accepted by the Hearing Panel, each of Staff and the Respondents 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 the Settlement Agreement or the settlement negotiations.

32. Staff and the Respondents agree that the terms of the 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.

33. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile copy of any signature shall be effective as an original signature.

DATED this 16th day of August, 2016.

“Jacqueline Ann Meunier”
Jacqueline Ann Meunier

“KA”
Witness Signature

KA
Witness – Print Name

“Lori Gay Bandola”
Lori Gay Bandola

“KA”
Witness Signature

KA
Witness – Print Name

“Shaun Devlin”
Staff of the MFDA
Per: Shaun Devlin
Senior Vice-President,
Member Regulation – Enforcement



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Re: Jacqueline Ann Meunier and Lori Gay Bandola

ORDER

WHEREAS on August 2, 2016, 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 Jacqueline Ann Meunier ("Meunier") and Lori Gay Bandola ("Bandola", together the "Respondents");

AND WHEREAS the Respondents entered into a settlement agreement with Staff of the MFDA, dated [date] (the "Settlement Agreement"), in which the Respondents 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:

- a) on or about October 19, 2011, Meunier altered and used to process a transaction, one client account form by altering information on the client account form without having the client initial the alteration, contrary to MFDA Rule 2.1.1;

- b) between May 8, 2012 and September 2, 2014, Meunier, or her assistant for whom she was responsible, obtained, possessed and used to process transactions, 29 pre-signed account forms in respect of 20 clients, contrary to MFDA Rule 2.1.1 and
- c) between February 3, 2014 and November 18, 2014, Bandola obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of 10 clients, contrary to MFDA Rule 2.1.1.

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

1. Meunier shall pay a fine in the amount of \$8,500 upon acceptance of this Settlement Agreement, pursuant to section 24.1.1(b) of By-law No. 1;
2. Bandola shall pay a fine in the amount of \$5,000, pursuant to section 24.1.1(b) of By-law No. 1, payable as follows:
 - i. \$3,000 upon acceptance of this Settlement Agreement;
 - ii. \$1,000 by no later than three months from the date of the settlement hearing; and
 - iii. \$1,000 by no later than six months from the date of the settlement hearing;
3. the Respondents shall jointly pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
4. the Respondents shall in the future comply with MFDA Rule 2.1.1; and
5. If at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding that contain personal information as defined by the MFDA Privacy Policy, 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 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]

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