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MFDA Hearing Panel makes findings and issues Decision and Reasons in the matter of Scott Reeves

March 8, 2017 (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (the “MFDA”) has issued its Decision and Reasons dated March 7, 2017 (the “Decision and Reasons”) in connection with a disciplinary hearing held in Toronto, Ontario on October 19, 2016, in the matter of Scott Byron Reeves (the “Respondent”).

In its Decision and Reasons, the Hearing Panel found that the four (4) allegations made against the Respondent in the Notice of Hearing dated August 27, 2015 (the “Notice of Hearing”) had been established. In particular, the Respondent:

Allegation #1: Between 2004 and May 9, 2014, solicited and accepted from at least three clients a total of approximately \$5,064,208.00, some or all of which the Respondent deposited into accounts that he controlled, which the Respondent failed to invest, return or otherwise account for, contrary to MFDA Rule 2.1.1., 1.1.1, 2.1.4.

Allegation #2: Between 2010 and 2014, on at least 34 instances, directed the Member to deposit redemptions totalling approximately \$1,126,117 from a client’s account at the Member to a bank account that did not belong to the client, by providing the Member with a void cheque that had been altered so that it appeared to the Member that the cheque corresponded to the client’s bank account when the client did not hold such an account, contrary to MFDA Rule 2.1.1.

Allegation#3: Between 2009 and May 9, 2014, made statements and provided documents to at least three clients, which he knew were false, misleading or incorrect, and misrepresented to the clients the amounts and whereabouts of their investments and monies, contrary to MFDA Rule 2.1.1.

Allegation #4: Between January 8, 2004 and May 9, 2014, had and continued in other gainful occupations that were not disclosed to and approved by the Member by acting as an officer or a director for at least 11 corporations, contrary to MFDA Rules 1.2.1(c) and 2.1.1.

In its Decision and Reasons, the Hearing Panel imposed the following sanctions on the Respondent:

- a permanent prohibition on the authority of the Respondent to conduct securities related business in any capacity;
- a fine in the amount of \$4,500,000; and
- costs in the amount of \$10,000.

A copy of the [Decision and Reasons](#) is available on the MFDA website at www.mfda.ca. During the period described in the Decision and Reasons, the Respondent carried on business in the Hamilton, Ontario area.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its Members and their approximately 83,000 Approved Persons with a mandate to protect investors and the public interest. For more information about the MFDA's complaint and enforcement processes, as well as links to 'Check an Advisor' and other Investor Tools, visit the [For Investors](#) page on the MFDA website.

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