



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF A DISCIPLINARY HEARING
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Sean William Maxwell

ORDER

(ARISING FROM HEARING ON THE MERITS ON MARCH 6, 2018)

WHEREAS on July 11, 2017, the Mutual Fund Dealers Association of Canada (“MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of By-law No. 1 in respect of a disciplinary proceeding commenced against Sean William Maxwell (“Respondent”);

AND WHEREAS on September 12, 2017, the first appearance in this proceeding was held by teleconference before one public representative of a Regional Council acting on behalf of a hearing panel of the Central Regional Council of the MFDA (“Hearing Panel”), pursuant to section 19.13(b) of MFDA By-law No. 1;

AND WHEREAS the Respondent did not attend the first appearance, despite being properly served with the Notice of Hearing;

AND WHEREAS on March 6, 2018, the Hearing Panel conducted a hearing on the merits of this matter (“Hearing”);

AND WHEREAS the Respondent did not file a Reply in this proceeding; did not attend the Hearing; and was not represented by counsel at the Hearing;

AND WHEREAS the Hearing Panel considered the evidence and submissions presented by Staff of the MFDA at the Hearing;

AND WHEREAS the Hearing Panel found that:

1. On March 9, 2015, the Respondent engaged in discretionary trading when he processed a trade in the account of a client and used his discretion to determine the amount and timing of the trade, contrary to MFDA Rules 2.3.1 and 2.1.1;
2. On March 9, 2015, the Respondent created a note on the Member's back office system which falsely indicated that he spoke with a client and obtained the client's authorization for a trade, contrary to MFDA Rule 2.1.1;
3. Between February 6, 2015 and March 5, 2015, the Respondent failed to create a record of client trade instructions with respect to four trades that he processed in the account of a client, contrary to the Member's policies and procedures, and MFDA Rules 1.1.2, 2.1.1, 2.10 and 5.1(b); and
4. Commencing in about June 2016, the Respondent failed to cooperate with MFDA Staff during the course of an investigation into his conduct, contrary to section 22.1 of MFDA By-law No. 1;

IT IS HEREBY ORDERED THAT:

1. the Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
2. the Respondent shall pay a total fine in the amount of \$65,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1, consisting of the following:

- a) a fine in the amount of \$15,000 in respect of allegations #1, #2 and #3 in the Notice of Hearing; and
 - b) a fine in the amount of \$50,000 in respect of allegation #4 in the Notice of Hearing;
3. the Respondent shall pay costs of this proceeding in the amount of \$5,000, pursuant to s. 24.2 of MFDA By-law No. 1; and
4. 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 6th day of March, 2018.

“Frederick W. Chenoweth”

Frederick W. Chenoweth
Chair

“Edward Jackson”

Edward Jackson
Industry Representative

“Guenther W. K. Kleberg”

Guenther W. K. Kleberg
Industry Representative

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