



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: James Andrew Phillips

ORDER

(ARISING FROM SETTLEMENT HEARING ON JULY 24, 2019)

WHEREAS on December 14, 2018, the Mutual Fund Dealers Association of Canada (“MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of allegations of misconduct against James Andrew Phillips (“Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated June 17, 2019 (“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 on the basis of the admissions made by the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that commencing in January 2015, the Respondent engaged in personal financial dealings with client RB that gave rise to an actual or potential conflict of interest by borrowing approximately \$50,000 from a client and the Respondent failed to disclose the conflict of interest to the Member or otherwise ensure that the conflict was addressed by the exercise of responsible business judgment influenced only by the best interests

of the client, contrary to the Member's policies and procedures and MFDA Rules 2.1.4, 2.5.1, 1.1.2, and 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 Member of the MFDA for a period of 5 years commencing from the date of the this Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
2. The Respondent shall pay a fine in the amount of \$10,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1 which shall be payable in instalments as follows:
 - a) \$2,500 payable in certified funds on the date of this Order;
 - b) \$1,250 payable on the first day of each month from September 1, 2019 to February 1, 2020;
3. The Respondent shall pay costs in the amount of \$5,000 in certified funds on the date of this Order, 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 24th day of July 2019.

“Thomas J. Lockwood”

Thomas J. Lockwood, QC
Chair

“Ann C. Etter”

Ann C. Etter
Industry Representative

“Barbara Ann Leighton”

Barbara Ann Leighton,
Industry Representative

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