

Order

File No. 201874



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: Robert Mark Loney

ORDER

(ARISING FROM SETTLEMENT HEARING OCTOBER 26, 2018)

WHEREAS on July 5, 2018, 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 Robert Mark Loney (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated July 4, 2018 (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 on the basis of the admissions of the Respondent as set out in the Settlement Agreement, the Hearing Panel is of the opinion that:

- a) between December 2012 and February 12, 2016, the Respondent failed to follow client SF's instructions to process the transfer of an existing Registered Education Savings Plan account to the Member, contrary to MFDA Rule 2.1.1;
- b) between May 25, 2015 and January 11, 2016, the Respondent made three representations to client SF which falsely indicated that the client's Registered Education Savings Plan account had been transferred to the Member, contrary to MFDA Rule 2.1.1;
- c) between June 8, 2015 and November 16, 2015, the Respondent processed five unauthorized redemptions from client SF's non-registered account without the client's knowledge when he knew that she intended to process the redemptions from a Registered Education Savings Plan account, contrary to MFDA Rules 2.3.1 and 2.1.1;
- d) on January 11, 2016, the Respondent falsely represented to client SF that the decline in value of her non-registered account was caused by market volatility when in fact the decline in value of the account was attributable at least in part due to unauthorized redemptions that the Respondent had processed in the account without the client's knowledge, contrary to MFDA Rule 2.1.1;
- e) between July 6, 2015 and October 28, 2015, the Respondent altered the dates of client SF's signature on two account forms and altered the date of the joint account holder's signature on one account form, contrary to MFDA Rule 2.1.1; and
- f) between June 12, 2013 and May 7, 2015, the Respondent:
 - failed to explain the risk of borrowing to invest to client SF prior to recommending that she borrow to invest on four occasions;
 - failed to provide a risk disclosure document to client SF prior to processing two mutual fund purchases in the client's non-registered account that were made with borrowed money; and
 - failed to classify client SF's non-registered account as "leveraged" on the Member's back office system after processing two mutual fund purchases in the account that were made with borrowed money;

contrary to MFDA Rules 2.2.1, 2.6(b), 2.1.1, 2.5.1, 1.1.2 and the Member's policies and procedures.

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

1. The Respondent shall be permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
2. The Respondent shall pay costs in the amount of \$1,000 pursuant to s. 24.2 of MFDA By-law No. 1; and
3. 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 26th day of October, 2018.

“Malliha Wilson”

Malliha Wilson
Chair

“Brigitte J. Geisler”

Brigitte J. Geisler
Industry Representative

“Joseph Yassi”

Joseph Yassi
Industry Representative