



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: Gilbert Jean

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Gilbert Jean (the “Respondent”), consent and agree to settlement of this matter by way of this agreement (the “Settlement Agreement”).
2. Staff conducted an investigation of the Respondent’s activities which disclosed activity for which the Respondent 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 Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

4. The Respondent admits to the following violations of the By-laws, Rules or Policies of the MFDA:

- a) on or about March 17, 2015, the Respondent processed a redemption in a client account at the request of someone other than the client, contrary to MFDA Rule 2.1.1;
- b) on or about March 5, 2015, the Respondent failed to keep an adequate record of a trade, thereby failing to comply with the Member's Policies and Procedures, contrary to MFDA Rules 1.1.2, 2.5.1 and 2.1.1; and
- c) between December 2009 and August 2015, the Respondent obtained, possessed, and in some instances, used to process transactions, 18 pre-signed account forms, contrary to MFDA Rule 2.1.1.

5. Staff and the Respondent agree and consent to the following terms of settlement:

- a) the Respondent shall be prohibited from conducting securities related business in any capacity in the employ of or associated with a Member of the MFDA for a period of 6 months, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- b) the Respondent shall pay costs in the amount of \$3,000 pursuant to s. 24.2 of MFDA By-law No. 1;
- c) the Respondent shall in the future comply with MFDA Rules, 2.5.1, 1.1.2 and 2.1.1; and
- d) the Respondent will attend in person, on the date set for the Settlement Hearing.

6. Staff and the Respondent 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

7. Between 1995 and 2016, the Respondent was registered in Ontario as a mutual fund salesperson (now known as a Dealing Representative) with Investors Group Financial Services Inc. (“Investors Group”), a Member of the MFDA. Between 2013 and 2016, the Respondent was also registered as a Dealing Representative in British Columbia.

8. At all material times, the Respondent conducted business in the Sarnia, Ontario area.

Processing a Trade Requested by Someone Other than the Client

9. At all material times, client PM was a client of Investors Group whose registered account was serviced by the Respondent (the “Registered Account”).

10. At all material times, client PM’s wife was the beneficiary of the Registered Account.

11. On or around March 17, 2015, client PM’s wife instructed the Respondent to redeem monies from the Registered Account.

12. Subsequently, the Respondent processed the redemption without receiving instructions from client PM.

13. The Respondent states that he accepted instructions to process the redemption from client PM’s wife because client PM had previously advised the Respondent that he could accept instructions from client PM’s wife in respect of the Registered Account. The Respondent acknowledges that he ought not to have accepted instructions from client PM’s wife.

Failing to Keep Adequate Records

14. At all material times, client CG was a client of Investors Group whose account was serviced by the Respondent.

15. At all material times, Investors Group's PPM required that its Approved Persons, including the Respondent, maintain written documentation in the client file or electronic notes of the details of any trade.

16. On or about March 5, 2015, client CG instructed the Respondent to purchase a mutual fund. The Respondent processed a trade on the request of client CG, but failed to keep a written or electronic note recording the mutual fund purchased by client CG.

Pre-Signed Account Forms

17. At all material times, Investors Group's policies and procedures prohibited its Approved Persons, including the Respondent, from using pre-signed account forms.

18. Between December 2009 and August 2015, the Respondent obtained, possessed, and in 4 instances, used to process transactions, 18 pre-signed account forms (the "Forms").

19. The Forms included client update forms, pre-authorized contribution agreement forms, and Know-Your-Client forms.

Previous Discipline History

20. In January 2014, Investors Group issued a warning letter to the Respondent regarding his failure to maintain a record of an order.

Investors Group's Investigation

21. On or about September 17, 2015, during the course of a branch review, and in the subsequent follow up investigation, Investors Group identified the conduct that is the subject of this Settlement Agreement.

22. As part of its investigation, Investors Group reviewed all the client files serviced by the Respondent, which revealed no further concerns.

23. On January 29, 2016, Investors Group issued a warning letter to the Respondent and imposed a \$2,000 fine. Investors Group also placed the Respondent in an educational program to assist the Respondent in meeting his regulatory requirements for proper documentation.

Additional Factors

24. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond any commissions and fees that he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

25. There is no evidence of any client loss.

26. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

27. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing of the allegations.

IV. ADDITIONAL TERMS OF SETTLEMENT

28. 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.

29. 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.

30. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent 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.

31. Staff and the Respondent 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 Respondent in this matter;
- b) the Respondent waives 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 Respondent in respect of the facts and 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 Respondent from fulfilling any continuing regulatory obligations;
- d) the Respondent 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 Respondent 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.

32. If, for any reason, this Settlement Agreement is not accepted by the Hearing Panel, each of Staff and the Respondent 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.

33. Staff and the Respondent 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.

34. 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 15th day of December, 2016.

“Gilbert Jean”

Gilbert Jean

“CJ”

Witness – Signature

CJ

Witness – Print Name

“Shaun Devlin”

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

Schedule “A”

Order

File No. 2016114



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: Gilbert Jean

ORDER

WHEREAS on [date], 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 Gilbert Jean (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (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 the Hearing Panel is of the opinion that:

- a) on or about March 17, 2015, the Respondent processed a redemption in a client account at the request of someone other than the client, contrary to MFDA Rule 2.1.1;

- b) on or about March 5, 2015, the Respondent failed to keep an adequate record of a trade, thereby failing to comply with the Member's Policies and Procedures, contrary to MFDA Rules 1.1.2, 2.5.1 and 2.1.1; and
- c) between December 2009 and August 2015, the Respondent obtained, possessed, and in some instances, used to process transactions, 18 pre-signed account forms, contrary to MFDA Rule 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 in the employ of or associated with a Member of the MFDA for a period of 6 months, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
2. the Respondent shall pay costs in the amount of \$3,000 pursuant to s. 24.2 of MFDA By-law No. 1;
3. the Respondent shall in the future comply with MFDA Rules 2.5.1, 1.1.2 and 2.1.1; 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 [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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