



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: William Andrew Castle Thackray

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and William Andrew Castle Thackray (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) between April and July 2014, the Respondent engaged in securities related business that was not carried on for the account or through the facilities of the Member by processing three redemptions on behalf of two former clients directly through the mutual fund companies, using trade documentation, the Respondent's representative code and a signature guarantee stamp from his former mutual fund dealer, contrary to the Member's policies and procedures and MFDA Rules 1.2.1, 2.5.1, 1.1.1, and 2.1.1.

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

- a) the Respondent shall pay a fine in the amount of \$15,000, pursuant to section 24.1.1(b) of By-law No. 1;
- b) the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
- c) the Respondent shall in the future comply with MFDA Rules 1.2.1, 2.5.1, 1.1.1, 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

7. Since December 3, 2013, the Respondent has been registered in British Columbia and Alberta as a mutual fund salesperson (now known as a Dealing Representative) with Portfolio Strategies Corporation ("PSC"), a Member of the MFDA.

8. From November 20, 1997 to December 2, 2013, the Respondent was registered as a mutual fund salesperson with IPC Investment Corporation (“IPC”) (formerly Partners In Planning Financial Services Ltd.), a Member of the MFDA.

9. At all material times, the Respondent carried on business in the Victoria, British Columbia area.

Processing Redemptions Outside the Accounts and Facilities of the Member

10. On December 2, 2013, the Respondent ceased to be registered as a mutual fund salesperson with IPC, and IPC assigned the client accounts that the Respondent formerly serviced to another Approved Person at IPC.

11. After the Respondent ceased being registered with IPC, the Respondent sought to transfer clients from IPC to PSC, and became aware that the accounts of IPC clients LL and SP would not be able to be transferred to PSC.

12. At all material times, PSC had policies and procedures that required its Approved Persons to only engage in securities related business through PSC.

13. At all material times, IPC had policies and procedures in place that required its Approved Persons to return all IPC property, including documents and IPC signature guarantee stamps, when they ceased being registered with IPC.

14. Between April and July 2014, during the period that the Respondent was registered with PSC, he processed redemptions on behalf of IPC clients LL and SP (the “Redemptions”) by submitting redemption requests directly to the mutual fund companies using his former IPC representative code on IPC Order Entry Forms, and using a signature guarantee stamp belonging to his former dealer, IPC, as follows:

Client	Transaction Date	Redemption Amount	Transaction Forms Used by the Respondent
LL	April 8, 2014	\$1,518.81.	IPC Order Entry Form.
SP	June 4, 2014	\$40,223.33.	IPC Order Entry Form.
SP	July 4, 2014	\$35,521.41.	IPC Order Entry Form.
		Total: \$77,263.55	

15. The Respondent states that the Redemptions were completed by the Respondent at the request of former clients LL and SP, who advised him that there was some urgency to processing these transactions.

16. The Respondent processed the Redemptions using IPC Order Entry Forms which he accessed through software called ScanTech and printed from ScanTech after he ceased to be registered with IPC.

17. The Respondent processed the Redemptions directly through the mutual fund companies, and not through the accounts and facilities of PSC or IPC, which had the result of impairing the Members' ability to supervise the Respondent's trading activity.

18. By submitting the IPC Order Entry Forms using his former representative code, the Respondent wrongly represented to the mutual fund companies that he was registered as an Approved Person with IPC in order to facilitate the Redemptions outside of the accounts and facilities of IPC and PSC.

IPC's Investigation

19. IPC conducted a review of redemptions processed under the Respondent's IPC representative code for the period of December 3, 2013 to November 17, 2015, and identified the

Redemptions pertaining to clients LL and SP described above at paragraph 14. The Member did not identify any other issues. In addition, IPC reviewed transaction forms submitted for clients LL and SP in the period after the Respondent ceased being registered with IPC, and did not identify any issues.

Additional Factors

20. The Respondent has not previously been the subject of an MFDA disciplinary proceeding. The Respondent has been involved in securities industry for 27 years.

21. There is no evidence that:

- a) the Respondent processed any trades or changes to client information without the knowledge or authorization of his clients;
- b) clients suffered any financial harm as a result of the Redemptions; and
- c) any clients have complained about the Respondent's conduct.

IV. ADDITIONAL TERMS OF SETTLEMENT

22. 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.

23. 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. MFDA Settlement Hearings are typically held in the absence of the public pursuant to section 20.5 of MFDA By-law No. 1 and Rule 15.2(2) of the MFDA Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.mfda.ca.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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 20th day of April, 2017.

“William Andrew Castle Thackray”
William Andrew Castle Thackray

“DM”
Witness – Signature

DM
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. 201736



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**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
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Re: William Andrew Castle Thackray

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 William Andrew Castle Thackray (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 the Respondent,

- a) between April and July 2014, the Respondent engaged in securities related business that was not carried on for the account or through the facilities of the Member by processing three redemptions on behalf of two former clients directly through the mutual fund companies, using trade documentation, the Respondent’s

representative code and a signature guarantee stamp from his former mutual fund dealer, contrary to the Member's policies and procedures and MFDA Rules 1.2.1, 2.5.1, 1.1.1, and 2.1.1.

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

- 1. The Respondent shall pay a fine in the amount of \$15,000 pursuant to section 24.1.1(b) of By-law No. 1;
- 2. The Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of 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 [day] day of [month], 20[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]