



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: Leslie Colin Bell

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Leslie Colin Bell (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 violation of the By-laws, Rules or Policies of the Mutual Fund Dealers Association of Canada (“MFDA”):

- a) on or about August 1, 2016, the Respondent falsified, and used to process a transaction, 1 account form by altering information on the account form without having the client initial the alterations, contrary to MFDA Rule 2.1.1;
- b) between September 2006 and October 2016, the Respondent obtained and possessed, 4 pre-signed account forms in respect of 3 clients, contrary to MFDA Rule 2.1.1; and
- c) on or about October 21, 2014, the Respondent made a false statement to the Member about his use of pre-signed forms when completing the Member’s annual registration questionnaire, 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 suspended for a period of 2 months from conducting securities related business in any capacity while in the employ of or associated with a Member of the MFDA commencing from the date of the Hearing Panel’s final Order herein, pursuant to s. 24.1.1(c) of MFDA By-law No.1;
- b) the Respondent shall pay a fine in the amount of \$5,000 in certified funds upon acceptance of this Settlement Agreement, pursuant to section 24.1.1(b) of By-law No. 1;
- c) the Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of this Settlement Agreement, pursuant to section 24.2 of By-law No. 1;
- d) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
- e) 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. Since October 2001, the Respondent has been registered in Ontario as a mutual fund salesperson (now known as a Dealing Representative) with State Farm Investor Services (Canada) Co. (“State Farm”), a Member of the MFDA.

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

Falsified Form

9. On or about August 1, 2016, the Respondent falsified, and used to process a transaction, 1 fund switch application form by altering information on the account form without having the client initial the alterations.

Pre-Signed Account Forms

10. Beginning in 2010, State Farm’s policies and procedures prohibited its Approved Persons from using pre-signed account forms.

11. Between September 2006 and October 2016, the Respondent obtained and possessed, 4 pre-signed account forms in respect of 3 clients.

12. The pre-signed account forms consisted of non-financial change, pre-authorized contribution change and purchase forms.

Making a False Statement to the Member

13. On or about October 21, 2014, the Respondent made a false statement to State Farm in an Annual Compliance Attestation when he indicated that “customers only sign a form after it has been fully completed” in response to a question about the processes the Respondent used to collect obtain client signatures on mutual fund documents.

State Farm’s Investigation

14. On October 6, 2016, State Farm’s compliance staff identified the falsified and pre-signed forms that are the subject of this Settlement Agreement after conducting a sub-branch review.

15. As part of its investigation, State Farm conducted an audit of 44% of the Respondent's client files, and did not identify any further use of falsified or pre-signed account forms.

16. On November 22, 2016, State Farm issued a reprimand letter to the Respondent, and placed him on close supervision for 6 months.

Previous Use of Pre-Signed Account Forms

17. On September 23, 2009, State Farm issued a Warning Letter to the Respondent and placed him on a 30 day suspension after it identified a pre-signed account form in client files serviced by the Respondent.

Additional Factors

18. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above other than the commissions or fees he would ordinarily be entitled to had the transactions been completed in the proper manner.

19. There is no evidence of client loss or lack of authorization.

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

21. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing on the merits.

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 contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any 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 4th day of April, 2018.

“Leslie Colin Bell”

Leslie Colin Bell

“JH”

Witness – Signature

“JH”

Witness - Print name

“Shaun Devlin”

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



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: Leslie Colin Bell

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 Leslie Colin Bell (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) on or about August 1, 2016, the Respondent falsified, and used to process a transaction, 1 account form by altering information on the account form without having the client initial the alterations, contrary to MFDA Rule 2.1.1;

- b) between September 2006 and October 2016, the Respondent obtained and possessed, 4 pre-signed account forms in respect of 3 clients, contrary to MFDA Rule 2.1.1; and
- c) on or about October 21, 2014, the Respondent made a false statement to the Member about his use of pre-signed forms when completing the Member's annual registration questionnaire, 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 suspended for a period of 2 months from conducting securities related business in any capacity while in the employ of or associated with a Member of the MFDA commencing from the date of the Hearing Panel's final Order herein, pursuant to s. 24.1.1(c) of MFDA By-law No.1;
2. The Respondent shall pay a fine in the amount of \$5,000 in certified funds upon acceptance of this Settlement Agreement, pursuant to section 24.1.1(b) of By-law No. 1;
3. The Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of this Settlement Agreement, pursuant to section 24.2 of By-law No. 1;
4. The Respondent shall in the future comply with MFDA Rule 2.1.1; and
5. 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[].

Name,
Chair

Name,
Industry Representative

Name,
Industry Representative

DM 633327