



**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: Bertha Effie Ravn**

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**SETTLEMENT AGREEMENT**

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**I. INTRODUCTION**

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Bertha Effie Ravn (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 section 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 Mutual Fund Dealers Association of Canada (“MFDA”):

- a) between February 2, 2017 and February 18, 2019, the Respondent obtained, possessed, and used to process transactions, 9 pre-signed account forms in respect of 4 clients, contrary to MFDA Rule 2.1.1; and
  - b) between April 18, 2016 and March 4, 2019, the Respondent altered and used to process transactions, 18 account forms in respect of 15 clients, by altering information on the account forms without having the client initial the alterations, 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 pay a fine in the amount of \$11,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-law No.1;
  - b) the Respondent shall pay costs in the amount of \$1,750 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-law No.1;
  - c) the Respondent shall in the future comply with MFDA Rule 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. Since March 2003, the Respondent has been licensed in the securities industry.
8. Since September 26, 2008, the Respondent has been registered in Ontario as a dealing representative with FundEX Investments Inc. (the “Member”), a Member of the MFDA.

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

#### **Pre-signed Account Forms**

9. At all material times, the Member’s policies and procedures prohibited its Approved Persons from using pre-signed account forms.

10. Between February 2, 2017 and February 18, 2019, the Respondent obtained, possessed, and used to process transactions, 9 pre-signed account forms in respect of 4 clients.

11. The pre-signed account forms included:

- a) 4 order entry forms;
- b) 4 fee for service account addendum forms; and
- c) 1 systematic instruction form

### **Altered Account Forms**

12. At all material times, the Member's policies and procedures prohibited its Approved Persons from altering client account forms without obtaining client initials.

13. Between April 18, 2016 and March 4, 2019, the Respondent altered and used to process transactions, 18 account forms in respect of 15 clients by altering information on the account forms without having the clients initial the alterations.

14. The account forms included:

- a) 7 systematic instruction forms;
- b) 2 order entry forms;
- c) 3 new client application forms;
- d) 4 fee for service account addendum forms;
- e) 1 KYC update form; and
- f) 1 TFSA account application form

15. The alterations to the account forms included changes to plan type, load type, fund code, beneficiaries, client net worth, client risk tolerance, client investment knowledge, and investment frequency.

### **The Member's Investigation**

16. On April 23, 2019, during the course of a branch review, the Member identified several of the account forms that are the subject of this settlement agreement. Subsequently, a 100% file review was completed on May 8, 2019, and the remaining forms were identified.

17. On October 8, 2019, the Member sent letters to all clients whose accounts were serviced by the Respondent. In respect of pre-signed or altered forms identified by the Member that contained KYC information, the Member provided the client's KYC information on record and asked the clients to review the KYC information to ensure it was current and up to date. In respect of other types of pre-signed or altered account forms, the Member asked the clients to review the client's account history for accuracy and to contact the Member if any inconsistencies existed. No clients raised any concerns in response to the Member's letters.

18. Between August 14, 2019 and December 2, 2019, the Member placed the Respondent on strict supervision.

19. On December 2, 2019, the Member completed its strict supervision of the Respondent and issued her a warning letter in respect of the pre-signed and altered account forms it identified.

20. The Respondent paid a total of \$1,875 to the Member in respect of a monthly non-compliance surcharge for the period in which she remained under strict supervision.

#### **Additional Factors**

21. There is no evidence that the Respondent received any financial benefit from the conduct set out above beyond the commissions or fees she would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

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

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

24. The Respondent states that she engaged in the conduct described in this Settlement Agreement for the purposes of client convenience.

25. 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 allegations.

#### **IV. ADDITIONAL TERMS OF SETTLEMENT**

26. 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.

27. 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](http://www.mfda.ca).

28. 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.

29. 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 section 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with section 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.

30. 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.

31. 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.

32. 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 1<sup>st</sup> day of February, 2021.

“Bertha Effie Ravn”

\_\_\_\_\_  
Bertha Effie Ravn

“JM”

\_\_\_\_\_  
Witness – Signature

JM

\_\_\_\_\_  
Witness – Print Name

“Charles Toth”

\_\_\_\_\_  
Staff of the MFDA

Per: Charles Toth

Vice-President, Enforcement



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**IN THE MATTER OF A SETTLEMENT HEARING  
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**ORDER**

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**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 Bertha Effie Ravn (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 sections 20 and 24.1 of By-law No. 1;

**AND WHEREAS** the Hearing Panel is of the opinion that:

- a) between February 2, 2017 and February 18, 2019, the Respondent obtained, possessed, and used to process transactions, 9 pre-signed account forms in respect of 4 clients, contrary to MFDA Rule 2.1.1; and
- b) between April 18, 2016 and March 4, 2019, the Respondent altered and used to process transactions, 18 account forms in respect of 15 clients, by altering information on the account forms without having the client initial the alterations, 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 pay a fine in the amount of \$11,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-law No.1;
2. The Respondent shall pay costs in the amount of \$1,750 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-law No.1;
3. The Respondent shall in the future comply with MFDA Rule 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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