



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: Jeffrey Alistair Milne

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Jeffrey Alistair Milne (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 Mutual Fund Dealers Association of Canada (“MFDA”):
 - a) Between February 2015 and February 2019, the Respondent obtained and possessed 60 pre-signed account forms in respect of 33 clients, contrary to MFDA Rule 2.1.1; and

- b) Between 2015 and 2019, the Respondent falsely represented to the Member on its annual compliance confirmations that he did not accept, solicit, or maintain any 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 pay a fine in the amount of \$22,500, 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 payment by the Respondent of the fine and costs shall be made to and received by the MFDA in certified funds as follows:
 - i. \$3,750 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - iii. \$6,250 (Fine) on or before the last business day of the first month following the date of the Settlement Agreement;
 - iv. \$6,250 (Fine) on or before the last business day of the second month following the date of the Settlement Agreement;
 - v. \$6,250 (Fine) on or before the last business day of the third month following the date of the Settlement Agreement;
 - d) The Respondent shall in the future comply with MFDA Rule 2.1.1; and
 - e) The Respondent will attend the Settlement Hearing in person (via videoconference).
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. From October 8, 1998 to May 13, 2019, the Respondent was registered in British Columbia as a dealing representative with Investors Group Financial Services Inc. (“IG”), a Member of the MFDA.

8. Since May 14, 2019, the Respondent has been registered in British Columbia as a dealing representative with Assante Financial Management Ltd., a Member of the MFDA.

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

Pre-Signed Account Forms

10. At all material times, IG's policies and procedures prohibited its Approved Persons from holding, obtaining, or using pre-signed account forms.

11. Between February 2015 and February 2019, the Respondent obtained and possessed 60 pre-signed account forms in respect of 33 clients. The Respondent did not submit these account forms to the Member for processing, and they were not used to process trades or update client KYC information.

12. The pre-signed account forms consisted of Know-Your-Client ("KYC") Update, Advisory Fee Disclosure, Investment Instructions, Tax Free Savings Application, Pre-Authorized Contribution, Transfer Authorization, and Client Update forms.

False Annual Compliance Confirmations

13. Between March 2015 and March 2019, the Respondent completed 5 annual compliance confirmations of the Member, in which he indicated that he had not accepted, solicited, or maintained any pre-signed account forms.

14. The Respondent's responses on the annual compliance confirmations were false as, between February 2015 and February 2019, the Respondent obtained and possessed 60 pre-signed forms, as described above at paragraph 11.

Member's Investigation

15. In July 2019, the Member discovered 54 of the account forms that are described in this Settlement Agreement in client files maintained by the Respondent. Subsequently, the Member reviewed all of the client files maintained by the Respondent and identified the remaining account forms that are described in this Settlement Agreement. The Member's investigation concluded that none of the account forms were used to process trades or update client KYC information.

Prior Use of Pre-Signed Account Forms

16. In March 2015, IG issued a warning letter to the Respondent after it discovered that the Respondent had used two (2) pre-signed account forms.

17. Some of the account forms that are described in this Settlement Agreement were obtained by the Respondent in the period after the Respondent was previously warned by IG in March 2015.

Additional Factors

18. The Respondent has not previously been the subject of an MFDA disciplinary proceeding.

19. 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.

20. There is no evidence of any client loss, client complaints, or lack of authorization.

21. 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

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 agrees to waive any rights to a full hearing, a review hearing or appeal 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 proceeding 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 11th day of March, 2022.

“Jeffrey Alistair Milne”

Jeffrey Alistair Milne

“JF”

Witness – Signature

JF

Witness – Print Name

“Charles Toth”

Staff of the MFDA

Per: Charles Toth

Vice-President, Enforcement



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Re: Jeffrey Alistair Milne

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 MFDA By-law No. 1 in respect of Jeffrey Alistair Milne (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 MFDA By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

- a) Between February 2015 and February 2019, the Respondent obtained and possessed 60 pre-signed account forms in respect of 33 clients, contrary to MFDA Rule 2.1.1; and
- b) Between 2015 and 2019, the Respondent falsely represented to the Member on its annual compliance confirmations that he did not accept, solicit, or maintain any 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 pay a fine in the amount of \$22,500, 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;
3. The payment by the Respondent of the fine and costs shall be made to and received by the MFDA in certified funds as follows:
 - a. \$3,750 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - b. \$2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - c. \$6,250 (Fine) on [date];
 - d. \$6,250 (Fine) on [date]; and
 - e. \$6,250 (Fine) on [date];
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[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]