



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: Joyce Elaine Ross

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The Mutual Fund Dealers Association of Canada (the “MFDA”) will announce that it proposes to hold a hearing (the “Settlement Hearing”) to consider whether, pursuant to section 24.4 of MFDA By-law No. 1, a hearing panel of the Pacific Regional Council (the “Hearing Panel”) of the MFDA should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and Joyce Elaine Ross (the “Respondent”).

2. Staff and the Respondent, consent and agree to the terms of this Settlement Agreement.

3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

II. CONTRAVENTIONS

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

- a) between September 28, 2015 and May 25, 2020, the Respondent photocopied the signatures pages from account forms that had been signed by 5 clients and re-used

the signature pages to complete 16 additional account forms, contrary to MFDA Rule 2.1.1; and

- b) between July 30, 2015 and July 17, 2020, the Respondent altered and used to process transactions, 12 account forms in respect to 6 clients by altering information on the account forms without having the client initial the alteration, contrary to MFDA Rule 2.1.1.

III. TERMS OF SETTLEMENT

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 \$20,000 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 \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-Law No. 1;
- c) the Respondent shall be prohibited from acting as a branch manager or in any supervisory capacity for a member of the MFDA for a period of 2 months commencing upon the date the Settlement Agreement is accepted by the Hearing Panel, pursuant to s.24.1.1(f) of By-law No.1;
- d) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
- e) the Respondent shall attend in person or by videoconference 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 this Settlement Agreement herein and consent to the making of an Order in the form attached as Schedule "A".

IV. AGREED FACTS

Registration History

7. Since 2001, the Respondent has been registered in British Columbia in the securities industry.

8. Since June 1, 2001, the Respondent has been registered as a dealing representative with PFSL Investments Canada Ltd. (the “Member”), a Member of the MFDA.

9. From September 28, 2009 until March 5, 2021, the Member designated the Respondent as a branch manager. The Respondent resigned her position as branch manager on March 5, 2021.

10. At all material times, the Respondent conducted business in the Burnaby, British Columbia area.

Re-used Client Signatures

11. At all material times, the Member’s policies and procedures prohibited Approved Persons from altering or photocopying client signatures.

12. Between September 28, 2015 and May 25, 2020, the Respondent photocopied the signatures pages from account forms that had been signed by 5 clients and re-used the signature pages to complete 16 additional account forms. The Respondent submitted the 16 additional account forms to the Member for processing.

13. The account forms for which the Respondent photocopied and re-used signature pages included: Know Your Client (“KYC”) Update Forms, Subsequent Contribution Forms, and Redemption Request Forms.

Altered Account Forms

14. At all material times, the Member’s policies and procedures prohibited Approved Persons from altering or correcting any information on a signed document without the client initialing the document to show that the client approved the alteration.

15. Between July 30, 2015 and July 17, 2020, the Respondent altered and used to process transactions, 12 account forms in respect to 6 clients by altering information on the forms without having the client initial the alterations.

16. The altered forms included: KYC Update Forms, New Account Application Forms, an Invesco Tax-Free Savings Account Application, a Declaration of Tax Residence for Individuals Form, an Invesco Investment Application Form, Redemption Request Forms, Subsequent Contribution Forms, Sales Charge Acknowledgement Forms, and an Exchange Request Form.

17. The alterations which the Respondent made to the forms included alterations to the number of dependents, the account type, the date, the source of funds, and the fund number.

The Member's Investigation

18. In September, 2020, the Member conducted a pre-audit review of the client files maintained by the Respondent, during which it discovered some of the account forms described above. As a result, the Member conducted a further review of the client files maintained by the Respondent and discovered the remaining account forms described above.

19. As part of the Member's investigation to address the deficiencies in the account forms described above, the Member sent a letter to all affected clients along with the client's account transaction history to determine if there were any concerns with the accuracy of the transactions processed in the client's account. Regarding clients for whom the Respondent re-used signatures or altered account forms containing KYC information, the Member also confirmed the client's KYC information or completed new KYC account forms with the clients. No clients reported any concerns to the Member.

20. On April 7, 2021, the Member issued a disciplinary letter to the Respondent as a result of the issues described above.

Additional Factors

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

22. Following the discovery of the issues described in this Settlement Agreement, the Respondent voluntarily resigned as a branch manager. In May and April of 2021, the Respondent also voluntarily completed the Branch Managers' Examination Course and the Ethics and Professional Conduct Course offered by the Investment Funds Institute of Canada.

23. There is no evidence of client loss, complaints, or a lack of authorization.

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

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.

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. 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.

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 at the settlement hearing, subject to rule 15.3 of the MFDA Rules of Procedure;
- 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) except for any proceedings commenced to address an alleged failure to comply with this Settlement Agreement, 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, whether known or unknown at the time of settlement. 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 24.1.1 of MFDA By-law No. 1 for the purpose of giving notice to the public thereof in accordance with section 24.5 of MFDA 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 this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under section 24.3 of the By-laws of the MFDA against the Respondent based on, but not limited to, the facts set out in this Settlement Agreement, as well as the breach of the Settlement Agreement. If such additional enforcement action is taken, the Respondent agrees that the proceeding(s) may be heard and determined by a hearing panel comprised of all or some of the same members of the hearing panel that accepted the Settlement Agreement, if available.

31. 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 MFDA By-law No. 1, unaffected by the Settlement Agreement or the settlement negotiations.

32. The terms of this Settlement Agreement will be treated as confidential by the parties hereto until accepted by the Hearing Panel, and forever if, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel, except with the written consent of both the Respondent and Staff or as may be required by law. The terms of the Settlement Agreement, including the attached Schedule "A", will be released to the public if and when the Settlement Agreement is accepted by the Hearing Panel.

33. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile or electronic copy of any signature shall be as effective as an original signature.

DATED this 22nd day of August, 2022.

“Joyce Elaine Ross”

Joyce Elaine Ross

“GR”

Witness – Signature

GR

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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Re: Joyce Elaine Ross

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") provided notice to the public of a Settlement Hearing in respect of Joyce Elaine Ross (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 based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

- a) between September 28, 2015 and May 25, 2020, the Respondent photocopied the signatures pages from account forms that had been signed by 5 clients and re-used the signature pages to complete 16 additional account forms, contrary to MFDA Rule 2.1.1; and
- b) between July 30, 2015 and July 17, 2020, the Respondent altered and used to process transactions, 12 account forms in respect to 6 clients by altering information

on the account forms without having the client initial the alteration, 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 \$20,000 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 \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-law No.1;
3. the Respondent shall be prohibited from acting as a branch manager or in any supervisory capacity for a member of the MFDA for a period of 2 months commencing upon the date the Settlement Agreement is accepted by the Hearing Panel, pursuant to s.24.1.1(f) 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[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]