



**Mutual Fund Dealers Association of Canada**  
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF A DISCIPLINARY HEARING  
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF  
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**Re: William Andrew Castle Thackray**

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**NOTICE OF HEARING**

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**NOTICE** is hereby given that a first appearance will take place by teleconference before a hearing panel of the Pacific Regional Council (“Hearing Panel”) of the Mutual Fund Dealers Association of Canada (“MFDA”) in the hearing room at the MFDA offices, located at 650 West Georgia Street, Suite 1220, Vancouver, British Columbia on June 27, 2017 at 10:00 a.m. (Pacific), or as soon thereafter as the hearing can be held, concerning a disciplinary proceeding commenced by the MFDA against William Andrew Castle Thackray (“Respondent”).

**DATED** this 27<sup>th</sup> day of March, 2017.

“Sarah Rickard”

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Sarah Rickard  
Director of Regional Councils

Mutual Fund Dealers Association of Canada  
121 King Street West, Suite 1000  
Toronto, ON M5H 3T9  
Telephone: 416-945-5143  
Facsimile: 416-361-9781  
Email: [corporatesecretary@mfd.ca](mailto:corporatesecretary@mfd.ca)

**NOTICE** is further given that the MFDA alleges the following violations of the By-laws, Rules or Policies of the MFDA:

**Allegation #1:** 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 3 redemptions on behalf of 2 individuals directly through the mutual fund companies, using trade documentation and the Respondent's representative code 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.

**Allegation #2:** Between December 3, 2013 and January 11, 2016, in response to the inquiry of his former Member, the Respondent falsely represented that he disposed of the former Member's documentation and signature guarantee stamp after he ceased being registered with the former Member, contrary to MFDA Rule 2.1.1.

### **PARTICULARS**

**NOTICE** is further given that the following is a summary of the facts alleged and intended to be relied upon by the MFDA at the hearing:

#### **Registration**

1. 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.

2. 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.

3. 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**

4. 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.

5. 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.

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

7. 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:

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

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

9. By submitting the IPC Order Entry Forms using his former representative code, the Respondent falsely 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.

10. By virtue of the above, the Respondent engaged in securities related business that was not carried on for the account or through the facilities of the Member, by processing 3 redemptions on behalf of 2 individuals directly through the mutual fund companies, using trade documentation and the Respondent's representative code 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.

### **Misleading IPC**

11. 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.

12. On December 31, 2013, IPC staff emailed the Respondent to request that he destroy all IPC "stationary, stamps, etc."

13. On January 6, 2014, the Respondent falsely advised IPC staff that he destroyed the items.

14. The Respondent failed to destroy or return to IPC the IPC Order Entry Forms and an IPC Signature guarantee stamp, which he used to process the Redemptions described above at paragraph 7.

15. By virtue of the above, the Respondent falsely represented that he disposed of the former Member's documentation and signature guarantee stamp after he ceased being registered with the former Member, contrary to MFDA Rule 2.1.1.

**NOTICE** is further given that the Respondent shall be entitled to appear and be heard and be represented by counsel or agent at the hearing and to make submissions, present evidence and call, examine and cross-examine witnesses.

**NOTICE** is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;
- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
  - (i) \$5,000,000.00 per offence; and
  - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;

- (c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;
- (d) revocation of the authority of such person to conduct securities related business;
- (e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time;
- (f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel;

**NOTICE** is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

**NOTICE** is further given that the Respondent must **serve a Reply** on Enforcement Counsel and **file a Reply** with the Office of the Corporate Secretary within twenty (20) days from the date of service of this Notice of Hearing.

A **Reply** shall be **served** upon Enforcement Counsel at:

Mutual Fund Dealers Association of Canada  
650 West Georgia Street, Suite 1220  
Vancouver, B.C. V6B 4N9  
Attention: Christopher Corsetti  
Fax: 604-683-6577  
Email: ccorsetti@mfd.ca

A **Reply** shall be **filed** by:

- (a) providing four (4) copies of the **Reply** to the Office of the Corporate Secretary by personal delivery, mail or courier to:

The Mutual Fund Dealers Association of Canada  
121 King Street West, Suite 1000  
Toronto, ON M5H 3T9  
Attention: Office of the Corporate Secretary; or

- (b) transmitting one (1) copy of the **Reply** to the Office of the Corporate Secretary by fax to fax number 416-361-9781, provided that the Reply does not exceed 16 pages, inclusive of the covering page, unless the Office of the Corporate Secretary permits otherwise; or
- (c) transmitting one (1) electronic copy of the **Reply** to the Office of the Corporate Secretary by e-mail at corporatesecretary@mfd.ca.

A **Reply** may either:

- (i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

**NOTICE** is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

**NOTICE** is further given that if the Respondent fails:

- (a) to **serve** and **file** a **Reply**; or
- (b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the

facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-laws.

**END.**

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