

**Notice of Settlement Hearing**

**File No. 201777**



**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: Sentinel Financial Management Corp.**

---

**NOTICE OF SETTLEMENT HEARING**

---

**NOTICE** is hereby given that a hearing will be held before a hearing panel of the Prairie Regional Council (“Hearing Panel”) of the Mutual Fund Dealers Association of Canada (“MFDA”) on August 28, 2018 at 10:00 a.m. (Central), or as soon thereafter as the matter can be heard, in the hearing room at Delta Bessborough Hotel, located at 601 Spadina Crescent East, Saskatoon, Saskatchewan to consider whether, pursuant to section 24.4 of By-law No. 1 of the MFDA, the Hearing Panel should accept the settlement agreement (“Settlement Agreement”) entered into between Staff of the MFDA and Sentinel Financial Management Corp. (“Respondent”).

The subject matter of the proposed Settlement Agreement concerns matters for which the Respondent may be disciplined as a Member of the MFDA, pursuant to ss. 20 and 24.1.2 of By-law No. 1 of the MFDA.

## PARTICULARS

1. The proposed Settlement Agreement concerns allegations that the Respondent:
  - a) between July 2012 and July 2016, failed to adequately conduct proper Tier 1 trade supervision to:
    - i) ensure that each order accepted and each recommendation made for client accounts, including client accounts holding exempt market products, were suitable for the clients and in keeping with those clients' investment objectives and "Know Your Client" information; and
    - ii) perform supervisory inquiries, either adequately or at all, and failed to maintain adequate records of trade supervision conducted including inquiries made, responses received, and resolutions achieved following supervisory inquiries, including with respect to exempt market products;contrary to MFDA Rule 2.2.1(c), and MFDA Policy No. 2;
  - b) commencing in April 2013, failed to adequately supervise the activity of an Approved Person, JW, who was under close supervision, including activity with respect to deficiencies in trade suitability and the collection of "Know Your Client" information, contrary to MFDA Rules 2.5.1, 2.2.1(a), 2.2.1(c), and 2.2.2;
  - c) commencing in June 2015, failed to adequately supervise the activity of an Approved Person, TM, who was under close supervision, including activity with respect to deficiencies in trade suitability and the collection of "Know Your Client" information, contrary to MFDA Rules 2.5.1, 2.2.1(a), 2.2.1(c), and 2.2.2; and
  - d) commencing in July 2012, failed to complete reviews of sub-branches and their Approved Persons, either adequately or at all, contrary to MFDA Policy No. 2 and MFDA Policy No. 5.
2. 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*.

**DATED** this 8<sup>th</sup> day of August, 2018.

**“Paige Ward”**

---

Paige Ward

Corporate Secretary

Mutual Fund Dealers Association of Canada

121 King Street West, Suite 1000

Toronto, ON M5H 3T9

Telephone: 416-943-5838

Facsimile: 416-361-9781

Email: corporatesecretary@mfd.ca

DM 568529