



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: Jason Andrew Savoy

SETTLEMENT AGREEMENT

I. INTRODUCTION

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

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent’s activities. The investigation disclosed that the Respondent had engaged in 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.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule “A”.

4. Staff and the Respondent agree that the terms of this 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.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV herein for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to Part IX) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

IV. AGREED FACTS

Registration history

6. Between 1998 and April 2017, the Respondent was registered as a mutual fund salesperson (now a dealing representative) with Investors Group Financial Services Inc. (“Investors Group” or the “Member”), a Member of the MFDA.

7. Beginning in October 2008, Investors Group designated the Respondent as a branch manager.

8. In 2015, Investors Group removed the Respondent's designation as a branch manager as a result of the matters described herein.

9. At all material times, the Respondent carried on business from a branch located in Halifax, Nova Scotia.

10. The Respondent is not currently registered in the securities industry in any capacity.

Unauthorized offer to reimburse fees to a client

11. At all material times, client WQ was a client of Investor's Group, whose accounts were serviced by the Respondent. Client WQ was a senior.

12. In about September 2011, the Respondent recommended that client WQ invest approximately \$93,000 in mutual funds which were subject to a 7-year deferred sales charge ("DSC") schedule. Accordingly, client WQ would be required to pay any applicable DSC schedule should client WQ redeem his investments prior to the expiry of the DSC schedule.

13. In December 2013, client WQ advised the Respondent that he was contemplating transferring his accounts from Investors Group to another financial institution. Without notifying Investors Group or obtaining its authorization, the Respondent advised client WQ that he would reimburse client WQ for any DSC fees he would incur as a result of the transfer.

14. On or about March 17, 2014, client WQ advised the Respondent that he had decided to transfer his accounts out of Investors Group.

15. On March 21, 2014, the Respondent advised client WQ that the DSC fees associated with redeeming his investments to transfer to the other financial institution would amount to \$4,758. At that point, the Respondent informed client WQ that he had changed his mind about reimbursing client WQ for any fees because client WQ was aware of the DSC fees when he had purchased the mutual funds recommended by the Respondent.

16. Client WQ complained to Investors Group that the Respondent renege on his offer to pay DSC fees relating to his investments.

17. Client WQ subsequently transferred to the other financial institution, and Investors Group reimbursed client WQ for the DSC fees he incurred.

Pre-signed account forms

18. At all material times, the policies and procedures of Investors Group prohibited its approved persons from using pre-signed forms.

19. Between 2009 and 2014, the Respondent obtained and possessed 10 blank or partially completed pre-signed client account forms in respect of 7 clients.

20. The pre-signed forms consisted of client update documents, investment instructions, RESP withdrawal documents, pre-authorized agreements, and transfer authorization documents.

21. The Respondent states that he obtained and possessed the pre-signed account forms for client convenience.

Accepting cash deposits from clients and trade delays

22. At all material times, the policies and procedures of Investors Group prohibited its approved persons from accepting cash deposits from clients.

23. Between April 2007 and October 2013, the Respondent accepted cash deposits on 11 instances from a total of 6 clients in 3 households, and used the monies to purchase bank drafts in order to deposit the monies in the client's accounts at Investors Group for the purchase of various mutual funds.

24. The details of the cash deposits that the Respondent received from clients are as follows:

Client	Cash Amount Received	Approx. Date
AF & TF	\$1,000	Apr. 23/07
AF & TF	\$1,500	Apr. 16/13
AF & TF	\$550	Sept. 10/13
AT & NT	\$900	Sept. 6/07
AT & NT	\$900	Sept. 6/07
AT & NT	\$427	Apr. 8/10
AT & NT	\$460	Apr. 8/10
AT & NT	\$375	May 3/11
AT & NT	\$1,733	Oct. 3/13
AT & NT	\$550	Feb. 27/13
DP & LP	\$2,000	Feb. 27/13
	Total: \$10,395	

25. For the cash deposits described above, the Respondent converted the cash to a bank draft for deposit in the clients' accounts at Investors Group, which caused delays in processing the clients' transactions ranging from 1 day to approximately 4 months.

26. The Respondent states that he accepted the cash deposits for client convenience.

Failure to process trades in a timely manner

27. In addition to the 11 instances of failing to process transactions in a timely matter as described above, the Respondent also failed to process trades in a timely manner on an additional 9 occasions, as follows:

Client	Amount of Transaction	Type of Delay	Delay
NT	\$1,800	Delay in processing a trade	4 days
NT & AT	\$1,586	Delay in processing an RRSP Contribution	3 days
NT & AT	\$120	Delay in setting up a pre-authorized contribution program ("PAC")	4 days
NT & AT	\$150	Delay in setting up PAC	5 days
NT & AT	\$648	Delay in setting up PAC	10 days
NT & AT	\$595	Delay in setting up PAC	8 days
NT & AT	\$329	Delay in setting up PAC	8 days
BF	\$1,000	Delay in processing a trade	1 day

WQ	Approx. \$97,000	Delay in processing a trade	1 day
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28. During the material time, subsections 9.1 and 10.2 of National Instrument 81-102 required purchase and redemption orders of securities of a mutual to be transmitted no later than the next day, where the order is received by a principal distributor of the mutual fund at a location that is not an order receipt office of the mutual fund.

Compensation paid directly to clients

29. At all material times, Investors Group prohibited its Approved Persons from entering into private settlements with a client, and required all settlements to be approved and issued by Investors Group.

30. Between 2012 and 2013, the Respondent paid compensation directly to clients for financial loss the clients incurred as a result of errors or delays in processing transactions for which the Respondent was responsible.

31. The Respondent completed calculations to determine the amount of loss arising from his errors and paid compensation to clients. The Respondent paid compensation directly to clients, as follows:

Date	Client	Amount of Compensation	Reason
2012	WQ	\$436.14	Delay in processing a trade
2012	AT & NT	\$45.63	Banking fees
2013	AT & NT	\$120	Trade delay due to cash deposit
2012	DG	\$81.28	Reimbursed DSC fees
2013	AP	\$152.54	Banking fees
2014	SM	\$143.75	Transfer out fees
TOTAL: \$977.34			

32. The Respondent did not disclose to Investors Group his errors or that he paid compensation directly to clients.

33. The Respondent states that he compensated clients directly for the sake of efficiency and client convenience.

Undisclosed outside business activity

34. At all material times, Investors Group’s policies and procedures required that its Approved Persons obtain approval from Investors Group in order to engage in any outside business activities.

35. Investors Group permitted its Approved Persons to provide tax preparation services to clients, provided that such activities were disclosed to and approved by Investors Group as an outside business activity.

36. Between 2004 and 2013, the Respondent engaged in tax preparation services for 14 clients without Investors Group’s prior knowledge or approval, as follows:

Clients	Year of tax preparation services
TF & AF	2004
AH & BH	2012 & 2013
DR & BR	2003-2013
BL & BB	2010 & 2013
RH	2010 – 2013
MH	2006 – 2013
JH	2010 – 2013
MH	2009 – 2013
PG & LG	2010 – 2013

Misleading the Member during an investigation

37. In or about July 2014, during Investors Group’s investigation into his conduct described above, the Respondent provided a written statement to Investors Group where he denied that he accepted cash deposits from clients or that he prepared income tax returns for clients.

38. The Respondent falsely advised Investors Group that he only collected tax information for clients and provided the information to a third party service provider to complete the client’s tax returns. The Respondent also falsely advised Investors Group that the Respondent’s assistant

mistakenly documented in client notes that he had accepted cash from clients and that he failed to update the notes to reflect that the clients provided bank drafts or money orders.

39. The Respondent did not contact Investors Group to correct his written statement.

40. In November 2004, when Investors Group presented the Respondent with evidence of him engaging in these activities, the Respondent admitted to Investors Group that he both accepted cash from clients and prepared income tax returns for clients.

41. By misleading the Member as described above, the Respondent impaired Investors Group's ability to supervise the Respondent's activities.

False annual compliance questionnaires

42. Between 2007 and 2013, the Respondent completed Investors Group's annual compliance questionnaire when he falsely acknowledge "true" to the following questions:

- (a) I have not arranged for any client to pre-sign any form(s) and do not maintain any pre-signed form(s) in any client file;
- (b) I have not entered into any financial settlement with a client without it being reviewed and approved in advance by Investors Group; and
- (c) I have disclosed the outside business activity, and it has been approved by my Regional Director and Area Vice-President.

43. By falsely answering the compliance questionnaires, the Respondent impaired Investors Group's ability to supervise the Respondent's activities.

Failed to follow client instructions to rebalance account

44. Clients SW and LW are spouses. At all material times they were clients of Investors Group whose accounts were serviced by the Respondent.

45. In November 2009, the Respondent failed to complete rebalancing of the investments in the accounts of clients SW and LW, which resulted in investment losses of approximately \$1,115. Investors Group authorized and processed through its facilities compensation to the clients for their investment losses.

46. On December 18, 2012, the Respondent recommended further rebalancing in the portfolios of client SW and LW.

47. On December 21, 2012, the Respondent sent client SW his proposed rebalancing recommendations, and on January 2, 2013, client SW advised the Respondent to proceed with the recommendations. The proposed rebalancing was to be processed once the clients' monies were transferred into Investors Group from another financial institution.

48. The clients' monies were transferred in to Investors Group on January 14, 2013. The Respondent did not process the transactions to rebalance the clients' accounts once the monies were received, and instead, the Respondent states that he asked another Approved Person to process the rebalancing transactions.

49. The transactions to process the rebalancing in the clients' accounts were not processed as instructed by client SW.

50. The Respondent did not take any steps to follow-up or ensure that the transactions to process the rebalancing in the clients' accounts were completed as instructed by client SW.

51. The Respondent and client SW and LW did not have further discussions about the rebalancing until December 7, 2015, at which time, the Respondent and client SW realized that the transactions were not processed as initially instructed in January 2013.

52. On December 7, 2015, the Respondent advised client SW that he had missed processing the transactions for the rebalancing, and assured client SW that he would submit them to be corrected by Investors Group.

53. However, the Respondent:

- (a) failed to take steps to advise Investors Group that he did not process transactions for the rebalancing as requested by the client in January 2013; and
- (b) failed to submit the transactions to Investors Group for processing.

54. On January 13, 2017, the Respondent submitted the request to process the transactions to rebalance the clients' accounts, without alerting Investors Group that the clients request for rebalancing 4 years earlier had not been followed as described above.

55. On February 8, 2017, on February 8, 2017, the Respondent met client SW where he reconfirmed that the intended rebalancing from January 2013 was not completed and that the instructions would be submitted to proceed with the rebalancing in the clients' accounts and to determine the investment losses as a result of the delay in rebalancing the clients' accounts.

56. In or about April 2017, after speaking with the Respondent, the Respondent's branch manager submitted to Investors Group a request to calculate the losses arising to clients SW and LS arising from the failure to process the requested rebalancing.

57. As a result of the failure to process the rebalancing as requested by clients SW and LW incurred a loss totaling \$19,771, as follows:

- (a) Client SW: \$17,128; and
- (b) Client LW \$2,643.

58. Investors Group has paid compensation to clients SW and LW.

Member's Actions

59. The Member conducted a review of the Respondent's client files and did not identify any additional blank or partially signed forms.

60. The Member issued a warning letter to the Respondent and a reprimand concerning issues identified in the Respondent's business activities, including having pre-signed forms, an unapproved outside business activity (income tax preparation), private settlements with clients, accepting cash from clients, and delays in processing transactions.

61. The Member sent a supervisory letter to the Respondent's clients, and no responses were received with any concerns.

62. The Member placed the Respondent on close supervision on February 27, 2015, and removed his appointment as a branch manager.

63. In April 2017, the Respondent resigned from Investors Group.

Additional Factors

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

65. There is no evidence that the Respondent was motivated by, or received any financial benefit by 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.

66. The Respondent has expressed remorse for his misconduct and, prior to his departure from Investors Group, made changes to his practice in an effort to be more fully compliant with the Member's policies and procedures and with MFDA Rules and Policies.

67. 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.

V. CONTRAVENTIONS

68. The Respondent admits that:

- (a) in or around December 2013, he agreed to personally reimburse a client the deferred sales charge fees the client would incur on a transaction, without the knowledge and approval of the Member, and then reneged on the agreement, contrary to MFDA Rules 2.1.4 and 2.1.1, and MFDA Policy No. 3;
- (b) between 2009 and 2014, he obtained and possessed 10 pre-signed client account forms in respect of 7 clients, contrary to the Member's policies and procedures and MFDA Rules 1.1.2, 2.5.1, and 2.1.1;
- (c) between April 2007 and October 2013, he accepted cash deposits from 6 clients on 11 occasions, and used the cash deposits to purchase bank drafts to invest in mutual funds on the clients' behalf, contrary to the Member's policies and procedures and MFDA Rules 1.1.2, 2.5.1, and 2.1.1;
- (d) between October 2009 and August 2014, he delayed the processing of 20 transactions in the accounts of 10 clients, thereby failing to process trades in client accounts in a timely manner and consistent with, subsections 9.1 and 10.2 of the National Instrument 81-102, contrary to MFDA Rule 2.1.1;
- (e) between September 2012 and 2014, he compensated 6 clients for fees incurred by the client as a result of investment losses due to errors or trade delays, without the Member's prior consent, contrary to the Member's policies and procedures and MFDA Rules 1.1.2, 2.5.1, and 2.1.1, and MFDA Policy No. 3;
- (f) between 2004 and 2013, he had and continued in a dual occupation by providing tax preparation services to 14 clients, which was not disclosed to and approved by the Member, contrary to the Member's policies and procedures and MFDA Rules 1.2.1(c) (now MFDA Rule 1.3), 1.1.2, 2.5.1, and 2.1.1;
- (g) between July 2014 and November 2014, he made misleading statements during the Member's investigation into his conduct, thereby interfering with the ability of the Member to supervise his conduct, contrary to MFDA Rule 2.1.1;

- (h) between 2007 and 2013, he misled the Member in annual compliance questionnaires when he falsely represented to the Member that he:
 - i. did not arrange for and maintain pre-signed forms;
 - ii. did not enter into financial settlements with clients that had not been approved by the Member; and
 - iii. had disclosed and sought approval for outside business activities, thereby interfering with the ability of the Member to supervise his conduct, contrary to MFDA Rule 2.1.1; and
- (i) in January 2013 and December 2015, he failed to process transactions requested by 2 clients on 2 occasions, contrary to MFDA Rule 2.1.1.

VI. TERMS OF SETTLEMENT

69. The Respondent agrees to the following terms of settlement:

- (a) the Respondent shall pay a fine of \$25,000, pursuant to s. 24.1.1.(b) of MFDA By-law No. 1;
- (b) the Respondent shall pay costs of \$2,500, pursuant to section 24.2 of MFDA By-Law No. 1;
- (c) the payment by the Respondent of the fine and costs described above in subparagraphs 69(a) and (b) shall be made to and received by MFDA Staff in certified funds as follows:
 - i. \$2,500 (costs) shall be paid upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$2,500 (fine) shall be paid on or before the last business day of the first month following the acceptance of the Settlement Agreement by the Hearing Panel;
 - iii. \$2,500 (fine) shall be paid on or before the last business day of the second month following the acceptance of the Settlement Agreement by the Hearing Panel;

- iv. \$2,500 (fine) shall be paid on or before the last business day of the third month following the acceptance of the Settlement Agreement by the Hearing Panel;
 - v. \$2,500 (fine) shall be paid on or before the last business day of the fourth month following the acceptance of the Settlement Agreement by the Hearing Panel;
 - vi. \$2,500 (fine) shall be paid on or before the last business day of the fifth month following the acceptance of the Settlement Agreement by the Hearing Panel;
 - vii. \$2,500 (fine) shall be paid on or before the last business day of the sixth month following the acceptance of the Settlement Agreement by the Hearing Panel;
 - viii. \$2,500 (fine) shall be paid on or before the last business day of the seventh month following the acceptance of the Settlement Agreement by the Hearing Panel;
 - ix. \$2,500 (fine) shall be paid on or before the final business day of the eighth month following the acceptance of the Settlement Agreement by the Hearing Panel;
 - x. \$2,500 (fine) shall be paid on or before the final business day of the ninth month following the acceptance of the Settlement Agreement by the Hearing Panel; and
 - xi. \$2,500 (fine) shall be paid on or before the last business day of the tenth month following the acceptance of the Settlement Agreement by the Hearing Panel.
- (d) If the Respondent fails to make any of the payments described above in subparagraph 69(c) then:
- i. any outstanding balance of the fine and costs owed by the Respondent shall immediately become due and payable to the MFDA; and
 - ii. the Respondent shall continue to be prohibited from conducting securities related business while in the employ of or associated with a Member of the MFDA until such time as the total amount outstanding of the fine and

costs owed by the Respondent is paid to the MFDA, pursuant to section 24.3.13(c) of MFDA By-law No. 1;

- (e) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 6 (six) months, commencing from the date of the Hearing Panel's Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- (f) the Respondent shall be prohibited from acting as a branch manager or in a supervisory capacity while in the employ of or associated with any MFDA Member for a period of 5 (five) years, commencing from the date of the Hearing Panel's Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- (g) the Respondent shall successfully complete an ethics or other industry course acceptable to the MFDA within one year of the Hearing Panel's Order;
- (h) the Respondent will in the future comply with MFDA Rules 1.1.2, 2.5.1, 1.2.1(c) (now MFDA Rule 1.3), 2.1.1, 2.1.4 MFDA Policy No. 3; and subsections 9.1(1) and (2) and 10.2(1) and (2) of the National Instrument 81-102; and
- (i) the Respondent shall attend in person on the day of the Settlement Hearing in this matter.

VII. STAFF COMMITMENT

70. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts set out in Part IV and the contraventions described in Part V of this Settlement Agreement, subject to the provisions of Part IX below. 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 Parts IV and V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions set out in Parts IV and V, 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.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

71. Acceptance of this Settlement Agreement shall be sought at a hearing of the Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent.

72. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the settlement hearing. Staff and the Respondent also agree that if this Settlement Agreement is accepted by the Hearing Panel, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive his 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.

73. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, then the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.1 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.

74. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, 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 him.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

75. 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 Part IV of the 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.

X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

76. If, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel or an Order in the form attached as Schedule “A” is not made 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 this Settlement Agreement or the settlement negotiations.

77. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the MFDA of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

XI. DISCLOSURE OF AGREEMENT

78. 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.

79. Any obligations of confidentiality shall terminate upon acceptance of this Settlement Agreement by the Hearing Panel.

XII. EXECUTION OF SETTLEMENT AGREEMENT

80. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

81. A facsimile copy of any signature shall be effective as an original signature.

DATED this 24th day of October, 2017.

“Jason Andrew Savoy”

Jason Andrew Savoy

“JP”

Witness – Signature

JP

Witness – Print Name

“Shaun Devlin”

Shaun Devlin
Staff of the MFDA
Per: Shaun Devlin
Senior Vice-President,
Member Regulation – Enforcement

Schedule “A”

Order

File No. 2016108



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: Jason Andrew Savoy

ORDER

WHEREAS the Mutual Fund Dealers Association of Canada (“MFDA”) issued a News Release announcing that it proposes to hold a hearing to consider whether, pursuant to section 24.4 of By-law No. 1, a hearing panel of the Atlantic Regional Council (“Hearing Panel”) of the MFDA should accept the settlement agreement (“Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and the Respondent, Jason Andrew Savoy (“Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (“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 By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

- a) in or around December 2013, agreed to personally reimburse a client the deferred sales charge fees the client would incur on a transaction, without the knowledge and

- approval of the Member, and then reneged on the agreement, contrary to MFDA Rules 2.1.4 and 2.1.1, and MFDA Policy No. 3;
- b) between 2009 and 2014, obtained and possessed 10 pre-signed client account forms in respect of 7 clients, contrary to the Member's policies and procedures and MFDA Rules 1.1.2, 2.5.1, and 2.1.1;
 - c) between April 2007 and October 2013, accepted cash deposits from 6 clients on 11 occasions, and used the cash deposits to purchase bank drafts to invest in mutual funds on the clients' behalf, contrary to the Member's policies and procedures and MFDA Rules 1.1.2, 2.5.1, and 2.1.1;
 - d) between October 2009 and August 2014, delayed the processing of 20 transactions in the accounts of 10 clients, thereby failing to process trades in client accounts in a timely manner and consistent with, subsections 9.1 and 10.2 of the National Instrument 81-102, contrary to MFDA Rule 2.1.1;
 - e) between September 2012 and 2014, compensated 6 clients for fees incurred by the client as a result of investment losses due to errors or trade delays, without the Member's prior consent, contrary to the Member's policies and procedures and MFDA Rules 1.1.2, 2.5.1, and 2.1.1, and MFDA Policy No. 3;
 - f) between 2004 and 2013, had and continued in a dual occupation by providing tax preparation services to 14 clients, which was not disclosed to and approved by the Member, contrary to the Member's policies and procedures and MFDA Rules 1.2.1(c) (now MFDA Rule 1.3), 1.1.2, 2.5.1, and 2.1.1;
 - g) between July 2014 and November 2014, made misleading statements during the Member's investigation into his conduct, thereby interfering with the ability of the Member to supervise his conduct, contrary to MFDA Rule 2.1.1;
 - h) between 2007 and 2013, misled the Member in annual compliance questionnaires when he falsely represented to the Member that he:
 - i. did not arrange for and maintain pre-signed forms
 - ii. did not enter into financial settlements with clients that had not been approved by the Member; and
 - iii. had disclosed and sought approval for outside business activities, thereby interfering with the ability of the Member to supervise his conduct,

contrary to MFDA Rule 2.1.1; and

- i) in January 2013 and December 2015, failed to process transactions requested by 2 clients on 2 occasions, 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 of \$25,000, pursuant to s. 24.1.1.(b) of MFDA By-law No. 1;
2. The Respondent shall pay costs of \$2,500, pursuant to section 24.2 of MFDA By-Law No. 1;
3. The payment by the Respondent of the fine and costs described above in paragraphs 1 and 2 shall be made to and received by MFDA Staff in certified funds as follows:
 - a) \$2,500 (costs) shall be paid upon acceptance of the Settlement Agreement by the Hearing Panel;
 - b) \$2,500 (fine) on or before [insert date];
 - c) \$2,500 (fine) on or before [insert date];
 - d) \$2,500 (fine) on or before [insert date];
 - e) \$2,500 (fine) on or before [insert date];
 - f) \$2,500 (fine) on or before [insert date];
 - g) \$2,500 (fine) on or before [insert date];
 - h) \$2,500 (fine) on or before [insert date];
 - i) \$2,500 (fine) on or before [insert date];
 - j) \$2,500 (fine) on or before [insert date]; and
 - k) \$2,500 (fine) on or before [insert date].
4. If the Respondent fails to make any of the payments described above in paragraph 3 then:

- a) any outstanding balance of the fine and costs owed by the Respondent shall immediately become due and payable to the MFDA; and
- b) the Respondent shall continue to be prohibited from conducting securities related business while in the employ of or associated with a Member of the MFDA until such time as the total amount outstanding of the fine and costs owed by the Respondent is paid to the MFDA, pursuant to section 24.3.13(c) of MFDA By-law No.1;

5. The Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 6 (six) months, commencing from the date of the Hearing Panel's Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

6. The Respondent shall be prohibited from acting as a branch manager or in a supervisory capacity while in the employ of or associated with any MFDA Member for a period of 5 (five) years, commencing from the date of the Hearing Panel's Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

7. The Respondent shall successfully complete an ethics or other industry course acceptable to the MFDA within one year of the Hearing Panel's Order;

8. The Respondent will in the future comply with MFDA Rules 1.1.2, 2.5.1, 1.2.1(c) (now MFDA Rule 1.3), 2.1.1, 2.1.4, MFDA Policy No. 3; and subsections 9.1(1) and (2) and 10.2(1) and (2) of the National Instrument 81-102; and

9. 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]

DM 581043