



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: Gerald William Doyle

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (the “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 Central 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 the Respondent, Gerald William Doyle.

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 X) 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. The Respondent has been registered in the mutual fund industry since December 1998.

7. Since December 30, 1998, the Respondent has been registered in Ontario as a mutual fund salesperson (now known as a dealing representative) with Investors Group Financial Services Inc. (“IG”), a Member of the MFDA. He has been registered as a mutual fund salesperson in Quebec since May 22, 2012.

8. At all material times, the Respondent conducted business in the Ottawa, Ontario area.

Contravention #1 – Facilitating Registerable Activities by an Approved Person who was Not Registered with IG

9. In about September 2013, the Respondent and SL, an Approved Person who was registered with Keybase Financial Group Inc. (“Keybase”), agreed that SL would transfer his registration as a mutual fund salesperson from Keybase to IG, and assist the Respondent to service his IG client base.

10. On or about September 16, 2013, the Respondent, SL and IG executed an Associate Agreement in furtherance of the arrangement described above. At that time, SL continued to be registered with Keybase, a fact unknown to the Respondent.

11. On the same day that he signed the Associate Agreement, SL began attending the Respondent’s branch office each day and assist the Respondent service the client accounts for which he was responsible. SL was provided with, among other things, a desk adjacent to the Respondent’s office, a telephone, a computer and an IG email address. The Respondent further created, and provided to SL, electronic login credentials enabling SL to access IG’s electronic client management system and enter notes of his activities.

12. At the time SL began working out of the Respondent’s branch office, an application was submitted to transfer SL’s registration to IG. SL did not resign from Keybase until November 25, 2013 and remained registered with that Member until that date. SL did not become registered in any capacity with IG until March 6, 2014.¹

13. Between September 16, 2013 and March 5, 2014, the Respondent knew or ought to have known that SL was not registered as a mutual fund salesperson with IG, and therefore knew or ought to have known that SL was not permitted to advise or trade in securities on behalf of IG clients.

14. Between September 16, 2013 and March 5, 2014, the Respondent knew, or ought to have known, that SL engaged in the following activities which were not permitted:

¹SL was not registered with any MFDA Member between November 25, 2013 and March 5, 2014.

- (a) in the absence of the Respondent, SL provided investment advice and/or made trade recommendations to at least 26 IG clients for whom the Respondent was the servicing mutual fund salesperson²;
- (b) SL opened accounts at IG for at least 8 individuals by providing completed account opening forms (including Know-Your-Client Information Forms, Orders Tickets and Transfer Forms) to the Respondent, which account opening forms the Respondent signed as the advisor of record and submitted to IG for processing despite never having met the 8 individuals³; and
- (c) SL placed trades in the accounts of at least 26 IG clients for whom the Respondent was the sole servicing mutual fund salesperson, which trades were processed by the Respondent and without the Respondent having met or otherwise discussed those trades with the clients.⁴ The Respondent states that he nevertheless reviewed those orders before they were processed.

Contravention #2 – The Respondent Failed to Know the Clients and Assess Suitability

15. As described above in paragraph 14, the Respondent opened 8 new accounts and processed trades for at least 26 IG clients without meeting or obtaining instructions from the clients. The Respondent signed account opening forms provided by SL and placed trades based upon client instructions obtained by SL.

Contravention #3 – The Respondent Maintained Blank Pre-Signed Account Forms

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

² Namely, clients GB, LV, CB, JE, CE, RM, CR, JR, BM, AL, MH, LK, KK, TL, NL, JL, SM, DR, LR, AW, AB, BB, AnB, LB, BLM and JA.

³ Namely, clients CB, JE, CE, RM, CR, JR, BM and AL (though the Respondent did eventually meet with client CE, but only after client CE's account had been opened at IG under the Respondent's IG representative code). These 8 clients are the same clients referred to at note 4 above.

⁴ Namely, clients GB, LV, CB, JE, CE, RM, CR, JR, BM, AL, MH, LK, KK, TL, NL, JL, SM, DR, LR, AW, AB, BB, AnB, LB, BLM and JA.

17. During a review of the Respondent's client files conducted in September 2014, IG found that the Respondent had obtained, and possessed, 2 blank pre-signed transfer authorization forms in respect of clients LV and GW.

V. THE RESPONDENT'S POSITION

18. The Respondent states that he has not been the subject of prior MFDA regulatory proceedings. The Respondent further states that even though no known client complaints were made as a result of the facts described in Part IV, he ought to have known that his admitted-to misconduct was in violation of MFDA Rules, Policies and By-laws. Nevertheless, he regrets his conduct and fully accepts responsibility for his actions, including the consequential penalties agreed to herein.

VI. CONTRAVENTIONS

19. The Respondent admits that he engaged in the following contraventions of the By-law, Policies and Rules of the MFDA:

- (a) between September 16, 2013 and March 5, 2014, the Respondent permitted SL to engage in securities related business in respect of IG clients when he knew or ought to have known that SL was not registered as a mutual fund salesperson with IG, contrary to MFDA Rules 1.1.1, 1.1.3, and 2.1.1;
- (b) between November 26, 2013 and March 5, 2014, the Respondent opened 8 new accounts and processed trades for at least 26 IG clients without meeting or obtaining instructions from the clients, thereby failing to perform the necessary due diligence to learn the essential facts relative to the clients and failing to ensure that the investments were suitable and appropriate for the clients, contrary to MFDA Rules 2.2.1 and 2.1.1; and

- (c) in September 2014, the Respondent maintained blank pre-signed transfer authorization forms for 2 clients, thereby failing to observe high standards of ethics and conduct in the transaction of business and engaging in conduct unbecoming an Approved Person, contrary to MFDA Rule 2.1.1.

VII. TERMS OF SETTLEMENT

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

- (a) the Respondent shall in the future comply with MFDA Rules 1.1.1, 1.1.3, 2.2.1 and 2.1.1;
- (b) the Respondent will attend in person, on the date set for the Settlement Hearing;
- (c) the Respondent shall pay a fine in the amount of \$40,000, pursuant to section 24.1(b) of By-law No. 1, upon the acceptance of this Settlement Agreement; and
- (d) the Respondent shall pay the costs of this proceeding and investigation in the amount of \$5,000, pursuant to section 24.2 of By-law No. 1, upon the acceptance of this Settlement Agreement.

VIII. STAFF COMMITMENT

21. 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 VI of this Settlement Agreement, subject to the provisions of Part X 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 VI 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 VI, 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.

IX. PROCEDURE FOR APPROVAL OF SETTLEMENT

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

23. 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.

24. 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.

25. 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.

X. FAILURE TO HONOUR SETTLEMENT AGREEMENT

26. 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.

XI. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

27. 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.

28. 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.

XII. DISCLOSURE OF AGREEMENT

29. 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.

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

XIII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 2nd day of September, 2016.

“Gerald William Doyle”

Gerald William Doyle

“NC”

Witness – Signature

NC

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. 201665



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: Gerald William Doyle

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 By-law No. 1 in respect of Gerald William Doyle (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 By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

- a) between September 16, 2013 and March 5, 2014, the Respondent permitted SL to engage in securities related business in respect of IG clients when he knew or ought to have known that SL was not registered as a mutual fund salesperson with IG, contrary to MFDA Rules 1.1.1, 1.1.3, and 2.1.1;

- b) between November 26, 2013 and March 5, 2014, the Respondent opened 8 new accounts and processed trades for at least 26 IG clients without meeting or obtaining instructions from the clients, thereby failing to perform the necessary due diligence to learn the essential facts relative to the clients and failing to ensure that the investments were suitable and appropriate for the clients, contrary to MFDA Rules 2.2.1 and 2.1.1; and
- c) In September 2014, the Respondent maintained blank pre-signed transfer authorization forms for 2 clients, thereby failing to observe high standards of ethics and conduct in the transaction of business and engaging in conduct unbecoming an Approved Person, contrary to MFDA Rule 2.1.1.

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

1. 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*;
2. The Respondent shall pay a fine in the amount of \$40,000, pursuant to section 24.1(b) of By-law No. 1; and

3. The Respondent shall pay the costs of this proceeding and investigation in the amount of \$5,000, pursuant to section 24.2 of By-law No. 1.

DATED this [day] day of [month], 20[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]

DM 515742 v1