



**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: Fabio Nicola Ventolini**

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**SETTLEMENT AGREEMENT**

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**I. INTRODUCTION**

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Fabio Nicola Ventolini (the “Respondent”), consent and agree to settlement of this matter by way of this agreement (the “Settlement Agreement”).

2. Staff conducted an investigation of the Respondent’s activities which disclosed 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.

**II. JOINT SETTLEMENT RECOMMENDATION**

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

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

- a) between July 2013 and July 2015, he directly or indirectly through a company he controlled, solicited and accepted remuneration or service fees outside the Member from at least four clients for Member business for which he would also receive remuneration from the Member for the same activities, contrary to MFDA Rule 2.1.4 and the standard of conduct prescribed in MFDA Rule 2.1.1.

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 \$7,500, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
- b) the Respondent shall pay costs of this proceeding in the amount of \$2,500, pursuant to s. 24.2 of MFDA By-law No. 1;
- c) the Respondent shall in the future comply with MFDA Rules 2.1.1 and 2.1.4; and
- d) the Respondent will attend in person, 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 Part III herein and consent to the making of an Order in the form attached as Schedule "A".

### **III. AGREED FACTS**

#### **Registration History**

7. Since July 1997, the Respondent has been registered as a mutual fund salesperson (now known as a dealing representative), with IPC Investment Corporation ("IPC"), a Member of the MFDA.

8. At all material times, the Respondent carried on business in the Toronto, Ontario area.

9. At all material times, IPC did not permit its Approved Persons, including the Respondent, to collect fees directly from clients for Member business. All fees for services charged to clients pertaining to Member business were required to be paid to IPC (and not to the Respondent) and recorded on the books and records of IPC.

**Collecting Estate Transfer Fees from Clients**

10. Between July 2013 and July 2015, the Respondent, through a business he operated under the name Comprehensive Financial Planning Group (“Comprehensive”), solicited from six clients, and accepted from four clients, service fees outside IPC that the Respondent charged to transfer a deceased client’s mutual fund accounts at IPC to the living spouse (“Estate Transfer Fees”).

11. The transfer of mutual fund accounts from a deceased client to a living spouse is Member business and the Respondent was not permitted to collect the Estate Transfer Fees from clients.

12. The Respondent issued invoices to six clients in respect of Estate Transfer Fees totaling \$3,570.90, as follows:

<b>No.</b>	<b>Client</b>	<b>Date of Invoice</b>	<b>Amount of Invoice</b>	<b>Fees paid to Respondent</b>
1	JW	Jul. 18/13	\$565.00	Yes
2	DP	Feb. 26/14	\$576.30	Yes
3	ER	Mar. 7 /14	\$508.50	Yes
5	JE	Dec. 18/14	\$734.50	Yes
4	ED	May 21/14	\$565.00	No
6	KM	Jul. 6 /15	\$621.60	No
			<b>Total: \$3,570.90</b>	

13. The Respondent (through Comprehensive) collected Estate Transfer Fees totaling \$2,383.80 from clients JW, DP, ER, and JE outside the facilities of IPC and without its knowledge.

14. The Respondent had received, or was entitled to receive, commissions and/or trailer fees which compensated him for transferring the accounts from a deceased client to a living spouse.

15. Accordingly, the Respondent increased the amount of compensation he received for conducting Member business.

### **IPC's Investigation**

16. On June 18, 2015, a representative of client ED submitted a complaint to IPC advising that the Respondent issued an invoice charging an Estate Transfer Fee to process documentation related to a mutual fund account at IPC.

17. In response to the complaint, IPC commenced an investigation into the Respondent's conduct and identified the instances that the Respondent sought an Estate Transfer Fee that are the subject of this Settlement Agreement.

18. At the direction of IPC, the Respondent either repaid to the clients the Estate Transfer Fees he collected, or withdrew and did not collect on the invoices for which he had not yet been paid by the clients.

19. On October 28, 2015, IPC issued a warning letter to the Respondent for charging unauthorized Estate Transfer Fees.

### **Additional Factors**

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

21. 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.

## **IV. ADDITIONAL TERMS OF SETTLEMENT**

22. 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.

23. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (the “Settlement Hearing”). 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](http://www.mfda.ca).

24. 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.

25. 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 respecting the Respondent in this matter;
- b) the Respondent waives any 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;
- c) Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts and contraventions described in this Settlement Agreement. 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 this Settlement Agreement. 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 s. 24.1.2 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; 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.

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

27. Staff and the Respondent agree that the terms of the 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.

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

**DATED** this 21<sup>st</sup> day of November, 2017.

“Fabio Nicola Ventolini”

\_\_\_\_\_  
Fabio Nicola Ventolini

“SL”

\_\_\_\_\_  
Witness – Signature

SL

\_\_\_\_\_  
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. 201781**



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PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF  
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**ORDER**

(ARISING FROM SETTLEMENT HEARING ON FEBRUARY 21, 2018)

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**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 Fabio Nicola Ventolini (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 the Respondent:

- a) between July 2013 and July 2015, directly or indirectly through a company he controlled, solicited and accepted remuneration or service fees outside the Member from at least four clients for Member business for which he would also



receive remuneration from the Member for the same activities, contrary to MFDA Rule 2.1.4 and the standard of conduct prescribed in 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 \$7,500, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
2. the Respondent shall pay costs of this proceeding in the amount of \$2,500, pursuant to s. 24.2 of MFDA By-law No. 1;
3. the Respondent shall in the future comply with MFDA Rules 2.1.1 and 2.1.4; and
4. 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]