



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: Gregory William Shearing

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and Gregory William Shearing (“Respondent”), consent and agree to settlement of this matter by way of this agreement (“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 September 25, 2015 and February 27, 2017, the Respondent obtained, possessed, and in some instances, used to process transactions, 16 pre-signed account forms in respect of four clients, contrary to 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 of \$2,500, pursuant to Section 24.1.1(b) of MFDA Bylaw No. 1 (“Fine”);
- b) the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of Bylaw No. 1 (“Cost”);
- c) the payment by the Respondent of the Fine and Costs shall be made to and received by MFDA Staff in certified funds as follows:
 - i. \$1,000 (Costs) shall be paid upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$1,000 (Costs) shall be paid on or before March 30, 2018;
 - iii. \$1,000 (Costs and Fine) shall be paid on or before April 30, 2018;
 - iv. \$1,000 (Fine) shall be paid on or before June 29, 2018;
- d) if the Respondent fails to make any of the payments described above in subparagraph 5(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 be prohibited from conducting securities related business 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 s. 24.3.13(c) of MFDA By-law No. 1.
- e) the Respondent shall in the future comply with MFDA Rule 2.1.1; and

f) the Respondent will attend the Settlement Hearing in person.

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. The Respondent has been registered in the securities industry since 2008.

8. Since April 22, 2013, the Respondent has been registered in British Columbia as a dealing representative with Hub Capital Inc. (“Hub”), a Member of the MFDA.

9. At all material times, the Respondent carried on business in the Victoria, British Columbia area.

Pre-Signed Forms

10. At all material times, Hub’s policies and procedures prohibited its Approved Persons from conducting business using blank or partially complete pre-signed account forms, including photocopies of pre-signed account forms.

11. Between September 25, 2015 and February 27, 2017, the Respondent obtained, possessed, and in some instances, used to process transactions, 16 pre-signed account forms in respect of 4 clients.

12. The pre-signed forms consisted of purchase and redemption forms.

Action Taken By Member

13. Hub detected the conduct that is the subject of this Settlement Agreement during a client file review it conducted of client files maintained by the Respondent.

14. As part of its investigation, Hub sent letters to all the clients for whom the Respondent maintained or used pre-signed forms in order to determine whether the Respondent had engaged

in any unauthorized trading activity in the clients' accounts. None of the clients reported any concerns to Hub.

15. On September 28, 2016, Hub placed the Respondent on close supervision for a period of one year, and on November 8, 2016, Hub sent a warning letter to the Respondent regarding the conduct described above. Hub also imposed a fine of \$5,000 on the Respondent.

Additional Factors

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

17. There is no evidence that:

- a) the Respondent processed any transactions without the authorization of his clients;
- b) clients suffered any financial loss;
- c) the Respondent received any financial benefit from engaging in the misconduct beyond the commissions or fees to which he would have been ordinarily entitled had the transactions in the clients' accounts been carried out in the proper manner; and
- d) any clients have complained about the Respondent's conduct.

IV. ADDITIONAL TERMS OF SETTLEMENT

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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 12th day of January, 2018.

“Gregory William Shearing”

Gregory William Shearing

“CR”

Witness – Signature

CR

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. 201813



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: Gregory William Shearing

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 Gregory William Shearing (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, between September 25, 2015 and February 27, 2017, the Respondent obtained, possessed, and in some instances, used to process transactions, 16 pre-signed account forms in respect of 4 clients, 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 \$2,500, pursuant to Section 24.1.1(b) of MFDA Bylaw No. 1;
2. the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of Bylaw No. 1;
3. the payment by the Respondent of the fine and costs shall be made to and received by MFDA Staff in certified funds as follows:
 - i. \$1,000 (Costs) shall be paid upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$1,000 (Costs) shall be paid on or before [insert date];
 - iii. \$1,000 (Costs and Fine) shall be paid on or before [insert date];
 - iv. \$1,000 (Fine) shall be paid on or before [insert date];
 - v. \$1,000 (Fine) shall be paid on or before [insert date];
4. if the Respondent fails to make any of the payments described above 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 be prohibited from conducting securities related business 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 s. 24.3.13(c) of MFDA By-law No. 1..
5. the Respondent shall in the future comply with MFDA Rule 2.1.1;
6. the Respondent will attend in person, on the date set for the Settlement Hearing; and

7. 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 603846