



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: Jamie Lee Leonard

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 MFDA By-law No. 1, a hearing panel of the Central Regional Council of the MFDA (the “Hearing Panel”) should accept the settlement agreement entered into between Staff of the MFDA (“Staff”) and the Respondent, Jamie Lee Leonard (“Settlement Agreement”).

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 MFDA 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. From September 22, 2009 to June 22, 2018, when he was terminated in connection with the matters herein, the Respondent was registered in Ontario and Quebec as a dealing representative (previously referred to as a mutual fund salesperson) with Scotia Securities Inc., a Member of the MFDA (the “Member”).

7. From April 2013 to June 2018, the Respondent was also designated as an assistant branch compliance officer at the Member.

8. Previously, the Respondent was registered from June 2004 to July 2009 as a dealing representative with Quadrus Investment Services Ltd (“Quadrus”). While registered with Quadrus, the Respondent was also licensed to sell insurance.

9. At all material times, the Respondent carried on business in the Ottawa, Ontario area.

Member’s Policies and Procedures

10. At all material times, the Member required its dealing representatives to refrain from engaging in conflicts of interest and execute trades in a timely manner.

Contravention #1: Respondent Engaged in Conflicts of Interest

11. From December 2015 to February 2017, the Respondent processed 43 transactions in respect of 38 clients as redemptions and purchases, rather than as switches.

12. By processing the transactions as redemptions and purchases, rather than as switches, the Respondent exposed the clients to the risk of a change in value of the funds as the clients' assets were not invested while the trades settled. Had the Respondent completed the transactions as switches (rather than as redemptions and purchases), the transactions would not have exposed the clients to this risk as the assets would have remained invested.

13. Processing the transactions as redemptions and purchases, rather than as switches, resulted in client losses as described in greater detail below.

14. The Respondent states that he did not conduct the transactions as redemptions and repurchases instead of as switches, in order to increase his compensation; however, he acknowledges that had the transactions been conducted as switches, the transactions would not have counted towards Member sales targets or awards that were available to him at the material time.

Contravention #2: Respondent Failed to Execute Timely Trades

15. From December 2015 to February 2017, the Respondent failed to execute 18 of the 43 mutual fund purchases described above on a timely basis, as required by the Member's policies and procedures, which resulted in 21 clients incurring losses in their mutual fund accounts as described in greater detail below.

16. The delays in the purchases ranged from approximately seven days to 10 months. The particulars regarding the delays in the transactions are as follows:

Redemption Date	Repurchase Date	Client	Delay
December 22, 2015	December 30, 2015	KH	8 days
February 19, 2016	March 11, 2016	MC & JC	3 weeks
February 23, 2016	March 9, 2016	CL	15 days
	April 25, 2016		2 months

Redemption Date	Repurchase Date	Client	Delay
	August 25, 2106		6 months
February 26, 2016	March 4, 2016	LD	7 days
February 29, 2016	December 28, 2016	MS	10 months
March 22, 2016	April 20, 2016	ST	1 month
April 1, 2016	April 20, 2016	PA	19 days
April 1, 2016	April 20, 2016	GA	19 days
April 8, 2016	April 15, 2016	KS	7 days
April 13, 2016	May 6, 2016	LS	23 days
April 25, 2016	September 6, 2016	KG	4½ months
April 25, 2016	September 6, 2016	NG	4½ months
May 16, 2016	July 15, 2016	SR (RRIF)	2 months
May 16, 2016	July 16, 2016	SR (TFSA)	2 months
June 16, 2016	September 22, 2016	CW	3 months
June 24, 2016	July 29, 2016	LB (TFSA)	5 weeks
June 24, 2016	July 29, 2016	LB (non-registered)	5 weeks
November 7, 2016	November 21, 2016	LS2	14 days
February 10, 2017	February 22, 2017	SS	12 days

Client Losses

17. The Respondent's conduct described in Contraventions #1 and #2 above resulted in client losses to a maximum of \$3,100 per client and \$13,000 total.
18. In or about February 2019, the Member reimbursed the clients for their losses.

Additional Factors

19. The Respondent has not been the subject of previous MFDA disciplinary proceedings.
20. Aside from a client complaint that is unrelated to the matters herein and which the Member has resolved, there have been no client complaints to the Member or to the MFDA.
21. The Respondent states that he plans to pursue further education in a different field.
22. The Respondent has provided evidence to Staff that he has limited financial means, he is attempting to support his family, and currently earns just above minimum wage.

23. The Respondent cooperated fully with Staff's investigation, and sought an early resolution of this matter.

24. By entering into this Settlement Agreement, the Respondent has saved the MFDA time, resources, and expenses associated with conducting a full hearing of the allegations.

V. CONTRAVENTIONS

25. The Respondent admits:

- i. from December 2015 to February 2017, the Respondent processed 43 transactions in respect of 38 clients as redemptions and purchases, rather than as switches, which exposed the clients to risk of market loss and which the Respondent knew would result in the transactions counting towards the Member's sales targets for the Respondent, contrary to the Member's policies and procedures, and MFDA Rules 2.1.4, 2.1.1, 1.1.2 and 2.5.1; and
- ii. from December 2015 to February 2017, the Respondent failed to execute 18 mutual fund purchases on a timely basis as required by the Member's policies and procedures, which resulted in 21 clients incurring losses in their accounts, contrary to the Member's policies and procedures, and MFDA Rules 2.1.1, 1.1.2 and 2.5.1.

VI. TERMS OF SETTLEMENT

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

- i. the Respondent shall be prohibited for a period of two years from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member commencing from the date of the final Order herein, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- ii. the Respondent shall pay a fine in the amount of \$2,500, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- iii. the Respondent shall pay costs in the amount of \$2,500, pursuant to s. 24.2 of MFDA By-law No. 1;

- iv. the Respondent shall in the future comply with MFDA Rules 2.1.4, 2.5.1 and 1.1.2, and Rule 2.1.1; and
- v. the Respondent will attend in person on the date set for the Settlement Hearing.

VII. STAFF COMMITMENT

27. 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 the contraventions described in 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 this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions, 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

28. 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. 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.

29. 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 her 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.

30. 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 MFDA 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.

31. 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

32. 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.

33. If the Respondent does not comply with the attached Order, Staff and the Respondent shall have the right to appear before the Hearing Panel for additional guidance on fulfilling the terms of the Order.

X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

34. 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.

35. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that the Respondent 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

36. 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.

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

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 31st day of March, 2020.

“Jamie Lee Leonard”

Jamie Lee Leonard

MB

Witness – Signature

MB

Witness – Print Name

“Charles Toth”

Staff of the MFDA

Per: Charles Toth

Vice-President, Enforcement

Schedule “A”

Order

File No. 201919



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: Jamie Lee Leonard

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (“MFDA”) issued a Notice of Settlement Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of Jamie Lee Leonard (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 sections 20 and 24.1 of MFDA By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

- i. from December 2015 to February 2017, the Respondent processed 43 transactions in respect of 38 clients as redemptions and purchases, rather than as switches, which exposed the clients to risk of market loss and which the Respondent knew would result in the transactions counting towards the Member’s sales targets for the

Respondent, contrary to the Member's policies and procedures, and MFDA Rules 2.1.4, 2.1.1, 1.1.2 and 2.5.1; and

- ii. from December 2015 to February 2017, the Respondent failed to execute 18 mutual fund purchases on a timely basis as required by the Member's policies and procedures, which resulted in 21 clients incurring losses in their accounts, contrary to the Member's policies and procedures, and MFDA Rules 2.1.1, 1.1.2 and 2.5.1.

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 be prohibited for a period of two years from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member commencing from the date of the final Order herein, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
3. The Respondent shall pay a fine in the amount of \$2,500 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
4. The Respondent shall pay costs in the amount of \$2,500 pursuant to s. 24.2 of MFDA By-law No. 1; and
5. The Respondent shall in the future comply with MFDA Rules 2.1.4, 2.5.1 and 1.1.2, and Rule 2.1.1.

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

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]

DM 751958