



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: Orrin Gilmour

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Orrin Gilmour (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 by 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 Mutual Fund Dealers Association of Canada (“MFDA”):

- a) between February 9, 2019 and March 23, 2019, the Respondent signed the signature or initials of 1 client on 3 forms, and submitted the forms to the Member for processing, contrary to MFDA Rule 2.1.1; and
 - b) on or around March 27, 2019, the Respondent misled the Member when he falsely denied to his branch manager that he signed the client's signature on an account form, 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 \$13,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
 - b) the Respondent shall pay costs of \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-law No. 1; and
 - c) the Respondent shall in the future comply with MFDA Rule 2.1.1; 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. Between July 30, 2014 and June 26, 2019 the Respondent was registered in Ontario as a dealing representative with Royal Mutual Funds Inc. (the "Member"), a Member of the MFDA.
8. On June 26, 2019, the Member terminated the Respondent in connection with the matters that are the subject of this Settlement Agreement. The Respondent is not currently registered in the securities industry in any capacity.
9. At all material times, the Respondent conducted business in the Ottawa, Ontario area.

Respondent Signed Client Signatures and Initials

10. At all material times, the Member's policies and procedures prohibited its Approved Persons from signing a client's name or initials on an account form.

11. Between February 9, 2019 and March 23, 2019, the Respondent signed the signature or initials of 1 client on 3 accounts forms, and submitted the account forms to the Member for processing.

12. The account forms included Account Opening Information (KYC) forms and a Retirement Savings Plan (“RSP”) Application.

Respondent Falsely Denied Signing Client Signature to the Member

13. On or about March 27, 2019, during the course of a compliance review, the Respondent’s branch manager identified the irregular signature of the client on the RSP Application and Account Opening Information (KYC) form described above at paragraph 12.

14. After contacting the client and confirming that she had not signed the forms, the branch manager met with the Respondent and asked him about the signatures on the account forms.

15. The Respondent falsely denied signing the client’s signature. When the branch manager confronted the Respondent with the information from the client, the Respondent insisted that the client had attended at the branch and signed the forms, but the client had likely forgotten.

16. On the same day, the Respondent emailed the RSP Application to the client to be signed. The client emailed a signed copy back to the Respondent on April 4, 2019.

The Member’s Investigation

17. Following the meeting between the Respondent and the branch manager described above, the Member conducted a review of the Respondent. The Member did not detect any other instances of the Respondent signing clients’ signatures.

18. On June 18, 2019, the Member interviewed the Respondent, at which time, the Respondent admitted that he signed the client’s signature on one form.

19. On June 26, 2019, the Member terminated the Respondent.

20. On or around August 22, 2019, the Member obtained a properly signed Account Opening Information form signed by the client.

Additional Factors

21. There is no evidence that the Respondent received any financial benefit from the conduct set out above beyond the commissions or fees he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

22. There is no evidence of client complaints, client loss, or lack of authorization with respect to the underlying account opening.

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

IV. ADDITIONAL TERMS OF SETTLEMENT

24. 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.

25. 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.

26. 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.

27. 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 or appeal 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 contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any 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.

28. 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.

29. 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.

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

DATED this 18th day of November, 2020.

“Orrin Gilmour”

Orrin Gilmour

“MM”

Witness – Signature

MM

Witness – Print Name

“Charles Toth”

Staff of the MFDA

Per: Charles Toth

Vice-President, Enforcement

Schedule "A"

Order
File No.



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**IN THE MATTER OF A SETTLEMENT HEARING
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THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Orrin Gilmour

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 Orrin Gilmour (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 February 9, 2019 and March 23, 2019, the Respondent signed the signature or initials of 1 client on 3 forms, and submitted the forms to the Member for processing, contrary to MFDA Rule 2.1.1; and
- b) on or around March 27, 2019, the Respondent misled the Member when he falsely denied that he signed the client's name on an account form when questioned by his branch manager, 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 \$13,500 in certified funds, pursuant to section 24.1.1(b) of MFDA By-law No. 1.
2. The Respondent shall pay costs of \$2,500 in certified funds, pursuant to section 24.2 of MFDA By-law No. 1.
3. 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 790704