



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: William Robert Harvey

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, William Robert Harvey (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 section 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 January 2016 and January 2019, the Respondent obtained, possessed, and used to process transactions, 21 pre-signed account forms in respect of 13 clients, contrary to MFDA Rule 2.1.1; and

- b) In May 2019, the Respondent altered and used to process transactions one account form by altering information on the account form without having the client initial the alterations, 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 in the amount of \$10,000 in certified funds pursuant to section 24.1.1(b) of By-law No. 1, upon acceptance of this Settlement Agreement;
 - b) the Respondent shall pay costs in the amount of \$2,500 in certified pursuant to section 24.2 of By-law No. 1, upon acceptance of this Settlement Agreement;
 - 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. Commencing in June 2000, the Respondent has been registered in the securities industry.
8. From June 2012 to December 2019, the Respondent was registered in Alberta as a dealing representative with Investia Financial Services Inc. (“Investia”), a Member of the MFDA.
9. Since December 2019, the Respondent has been registered with Sentinel Financial Management Corp. (“Sentinel”).
10. At all material times, the Respondent carried on business in the Cochrane, Alberta area.

Pre-Signed Account Forms

11. At all material times, the Investia’s policies and procedures prohibited its Approved Persons from holding, obtaining, or using pre-signed account forms.
12. Between January 2016 and January 2019, the Respondent obtained, possessed, and used to process transactions, 21 pre-signed account forms in respect of 13 clients.

13. The pre-signed account forms consisted of Order Instruction and Know-Your-Client Update forms.

Altered Account Forms

14. In May 2019, the Respondent altered and used to process transactions one account form by altering information on the account form without having the client initial the alteration.

15. The altered form was an Order Instruction form and the alterations made by the Respondent consisted of the Respondent writing trade related instructions on the original signed form without obtaining client initials.

Investia's Investigation

16. In March 2019, Investia identified some of the forms that are the subject of this Settlement Agreement during an onsite branch review. Investia subsequently commenced a review of all of the client files serviced by the Respondent and identified the remaining pre-signed that are the subject of this Settlement Agreement.

17. On May 7, 2019, Investia placed the Respondent under close supervision.

18. In July 2019, Investia sent audit letters to all of the clients whose accounts the Respondent serviced, asking them to review and verify the accuracy of all trading activities executed in their accounts in the past three years. No clients reported any concern.

19. In September 2019, during a review of the Respondent's trades, Investia identified one additional altered form processed by the Respondent on May 31, 2019.

20. On November 12, 2019, Investia issued a warning letter to the Respondent concerning his use of pre-signed forms.

21. On December 4, 2019, Investia terminated the Respondent for reasons unrelated to the matters described in this Settlement Hearing.

22. Since December 5, 2019, the Respondent has been registered with Sentinel. Sentinel has placed the Respondent under close supervision until completion of this proceeding.

Additional Factors

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

24. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond any commissions and fees that he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

25. There is no evidence of any client complaints, client loss, or that the transactions were unauthorized.

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

IV. ADDITIONAL TERMS OF SETTLEMENT

27. 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.

28. 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.

29. 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.

30. 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 agrees to waive 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 section 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with section 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.

31. 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.

32. 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.

33. 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 24th day of October, 2020.

“William Robert Harvey”

William Robert Harvey

“SA”

Witness – Signature

SA

Witness – Print Name

“Charles Toth”

Staff of the MFDA

Per: Charles Toth

Vice-President, Enforcement



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: William Robert Harvey

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 MFDA By-law No. 1 in respect of William Robert Harvey (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 section 20 and 24.1 of MFDA By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

- a) Between January 2016 and January 2019, the Respondent obtained, possessed, and used to process transactions, 21 pre-signed account forms in respect of 13 clients, contrary to MFDA Rule 2.1.1; and
- b) In May 2019, the Respondent altered and used to process transactions one account form by altering information on the account form without having the client initial the alterations, 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 in the amount of \$10,000 in certified funds pursuant to section 24.1.1(b) of By-law No. 1, upon acceptance of this Settlement Agreement;
2. The Respondent shall pay costs in the amount of \$2,500 in certified pursuant to section 24.2 of By-law No. 1, upon acceptance of this Settlement Agreement;
3. The Respondent shall in the future comply with MFDA Rule 2.1.1; 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]

DM 800562