



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: Nancy Carol Myers

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Nancy Carol Myers (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 Mutual Fund Dealers Association of Canada (“MFDA”):
 - a) between February 25, 2015 and April 8, 2016, the Respondent photocopied signature pages from account forms that had been signed by clients and re-used the

signature pages to complete 11 additional forms in respect of 4 clients, contrary to MFDA Rule 2.1.1;

- b) between January 7, 2014 and January 12, 2018 the Respondent altered and used to process transactions 8 account forms in respect of 7 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and
- c) between January 21, 2013 and May 14, 2019, the Respondent obtained, possessed, and in some instances used to process transactions, 88 pre-signed account forms in respect of 36 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 in the amount of \$27,000 upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- b) the Respondent shall successfully complete the Ethics and Professional Conduct Course offered by the IFSE Institute, or an industry course acceptable to Staff of the MFDA, within 12 months of the acceptance of the Settlement Agreement, pursuant to section 24.1.1(f) of By-law No. 1;
- c) the Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No. 1;
- d) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
- e) the Respondent will attend by videoconference, 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 March 1988, the Respondent has been registered in the securities industry.

8. Since July 5, 2012, the Respondent has been registered in Ontario as a Dealing Representative with Investia Financial Services Inc. (the "Member"), a Member of the MFDA.

9. At all material times, the Respondent conducted business in the Hamilton, Ontario area.

Re-Used Client Signatures

10. Between February 25, 2015 and April 8, 2016, the Respondent photocopied signature pages from account forms that had been signed by clients and re-used the signature pages to complete 11 additional forms in respect of 4 clients.

11. The Respondent submitted all of the account forms to the Member for processing.

12. The account forms consisted of 7 Order Instruction Forms and 4 Mutual Fund Trade Tickets.

Altered Account Forms

13. Between January 7, 2014 and January 12, 2018, the Respondent altered and used to process transactions 8 account forms in respect of 7 clients by altering information on the account forms without having the client initial the alterations.

14. The account forms consisted of 6 Order Entry Forms and 2 Know Your Client (“KYC”) Update Forms.

15. The Respondent altered the clients’ risk tolerance, plan type, and fund code on the forms.

Pre-signed Account Forms

16. At all material times, the Member’s policies and procedures prohibited Approved Persons from obtaining or using pre-signed account forms.

17. Between January 21, 2013 and May 14, 2019, the Respondent obtained, possessed, and in some instances used to process transactions, 88 pre-signed account forms in respect of 36 clients.

18. The account forms consisted of:

- a) 28 KYC Update Forms;
- b) 40 Order Instruction Form;
- c) 1 Representative Change Form;
- d) 3 Mutual Fund Trade Tickets;
- e) 2 New Account Application Forms;

- f) 3 Outside Activity Disclosure Forms;
- g) 6 Transfer Authorization for Registered Investments Forms;
- h) 1 RESP Educational Assistance Payment Form; and
- i) 4 Automatic Conversion of Free Units Forms.

The Member's Investigation

19. During the course of a branch audit, the Member identified several of the account forms that are the subject of this Settlement Agreement. In August 2019, the Member completed a full review of the client files serviced by the Respondent and identified the remaining account forms.

20. The Member commenced an investigation into the Respondent's conduct which included sending letters to clients that provided the clients' KYC information on record and asked the clients to review the KYC information to ensure that it was recorded accurately. The Member also provided a summary of the clients' investments to determine whether the trading activity was executed according to the clients' instructions. No clients raised any concerns in response to the Member's letters.

21. On October 31, 2019, the Member issued the Respondent a Warning Letter in respect of the pre-signed, altered, and falsified forms described above.

On November 4, 2019, the Respondent signed a Letter of Undertaking acknowledging the Warning Letter and agreeing to adhere to the Member's guidelines, policies, and procedures.

Additional Factors

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

23. There is no evidence of client loss, client complaints, or lack of authorization.

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

25. The Respondent works out of a home office with her husband GM, another approved person registered with the Member, and services clients with GM under a joint representative code. As a result of his significant physical disabilities, the Respondent's husband is reliant on the

Respondent to assist him in servicing client accounts. Under these unique circumstances, Staff is not seeking a suspension for the Respondent.

26. 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

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 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.

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 26th day of October, 2021.

“Nancy Carol Myers”

Nancy Carol Myers

“GM”

Witness – Signature

GM

Witness – Print Name

“Charles Toth”

Staff of the MFDA
Per: Charles Toth
Vice-President, Enforcement



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**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: Nancy Carol Myers

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 Nancy Carol Myers (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 MFDA By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

- a) between February 25, 2015 and April 8, 2016, the Respondent photocopied signature pages from account forms that had been signed by clients and re-used the signature pages to complete 10 additional forms in respect of 4 clients, contrary to MFDA Rule 2.1.1;
- b) between January 7, 2014 and January 12, 2018 the Respondent altered and used to process transactions 8 account forms in respect of 7 clients by altering information on the account forms without having the client initial the alterations, contrary to MFDA Rule 2.1.1; and

- c) between January 21, 2013 and May 14, 2019, the Respondent obtained, possessed, and in some instances used to process transactions, 88 pre-signed account forms in respect of 36 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 in the amount of \$27,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
2. the Respondent shall successfully complete the Ethics and Professional Conduct Course offered by the IFSE Institute, or an industry course acceptable to Staff of the MFDA, within 12 months of the acceptance of the Settlement Agreement, pursuant to section 24.1.1(f) of By-law No. 1;
3. the Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No. 1;
4. the Respondent shall in the future comply with MFDA Rule 2.1.1; and
5. 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]