



NEWS RELEASE

For immediate release

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MFDA issues Notice of Settlement Hearing in respect of Sentinel Financial Management Corp.

August 14, 2018 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) announced that it has issued a Notice of Settlement Hearing dated August 8, 2018 regarding the presentation, review and consideration of a proposed settlement agreement by a Hearing Panel of the MFDA’s Prairie Regional Council.

The settlement agreement will be between Staff of the MFDA and Sentinel Financial Management Corp. (Respondent) and involves matters for which it may be disciplined by a Hearing Panel pursuant to MFDA By-laws. The proposed settlement agreement concerns allegations that the Respondent:

- a) between July 2012 and July 2016, failed to adequately conduct proper Tier 1 trade supervision to:
 - i. ensure that each order accepted and each recommendation made for client accounts, including client accounts holding exempt market products, were suitable for the clients and in keeping with those clients’ investment objectives and “Know Your Client” information; and
 - ii. perform supervisory inquiries, either adequately or at all, and failed to maintain adequate records of trade supervision conducted including inquiries made, responses received, and resolutions achieved following supervisory inquiries, including with respect to exempt market products,

contrary to MFDA Rule 2.2.1(c), and MFDA Policy No. 2;

- b) commencing in April 2013, failed to adequately supervise the activity of an Approved Person, JW, who was under close supervision, including activity with respect to deficiencies in trade suitability and the collection of “Know Your Client” information, contrary to MFDA Rules 2.5.1, 2.2.1(a), 2.2.1(c), and 2.2.2;
- c) commencing in June 2015, failed to adequately supervise the activity of an Approved Person, TM, who was under close supervision, including activity with respect to

- deficiencies in trade suitability and the collection of “Know Your Client” information, contrary to MFDA Rules 2.5.1, 2.2.1(a), 2.2.1(c), and 2.2.2; and
- d) commencing in July 2012, failed to complete reviews of sub-branches and their Approved Persons, either adequately or at all, contrary to MFDA Policy No. 2 and MFDA Policy No. 5.

The settlement hearing will take place on August 28, 2018, commencing at 10:00 a.m. (Central), or as soon thereafter as the matter can be held, in the hearing room at the Delta Bessborough Hotel, located at 601 Spadina Crescent East, Saskatoon, Saskatchewan.

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.

A copy of the [Notice of Settlement Hearing](#) is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its Members and their approximately 82,000 Approved Persons with a mandate to protect investors and the public interest. For more information about the MFDA’s complaint and enforcement processes, as well as links to ‘Check an Advisor’ and other Investor Tools, visit the [For Investors](#) page on the MFDA website.

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