



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

Settlement Agreement

File No. 202427

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULESⁱ
and
LANCE GARRETT HENRY DUECK**

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The Canadian Investment Regulatory Organization, a consolidation of IIROC and the MFDA (“CIRO”) will announce that it proposes to hold a hearing (the “Settlement Hearing”) to consider whether, pursuant to Mutual Fund Dealer Rule 7.4.4.3, a hearing panel of the Saskatchewan District Hearing Committee (the “Hearing Panel”) of CIRO should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of CIRO (“Staff”) and Lance Garrett Henry Dueck (the “Respondent”).
2. Staff and the Respondent consent and agree to the terms of this Settlement Agreement.
3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

II. CONTRAVENTIONS

4. The Respondent admits to the following violations of the Mutual Fund Dealer Rules:

- (a) Between August 3, 2018 and June 19, 2020, the Respondent, or the assistant for whom he was responsible, obtained, possessed and used to process transactions, 21 pre-signed account forms in respect of 12 clients, contrary to Mutual Fund Dealer Rule 2.1.1; and
- (b) Between July 11, 2019 and February 25, 2022, the Respondent, or the assistant for whom he was responsible, altered or used to process transactions, two account forms in respect of two clients, by altering information on the account forms without having the clients initial the alterations to show that the alterations were authorized, contrary to Mutual Fund Dealer Rule 2.1.1.

III. TERMS OF SETTLEMENT

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 \$14,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);
- (b) the Respondent shall pay costs in the amount of \$3,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.2;
- (c) the Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1; and
- (d) the Respondent shall attend on the date set for the Settlement Hearing.

6. The Respondent consents to the Hearing Panel making a confidentiality order on the following terms:

If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by

CIRO's Privacy Policy, then the CIRO Hearing Office shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all intimate financial and personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

7. Staff and the Respondent agree to the settlement on the basis of the facts set out in this Settlement Agreement herein.

IV. AGREED FACTS

Registration History

8. The Respondent has been registered in the securities industry since approximately October 2017.

9. Since January 31, 2018, the Respondent has been registered in Saskatchewan as a dealing representative with Quadrus Investment Services Ltd. (the "Dealer Member"), a Dealer Member of CIRO (formerly a Member of the MFDA).¹

10. At all material times, the Respondent conducted business in the Regina, Saskatchewan area.

Pre-Signed Account Forms

11. At all material times, the Dealer Member's policies and procedures prohibited its dealing representatives from obtaining, possessing or using blank or incomplete pre-signed account forms.

12. Between August 3, 2018 and June 19, 2020, the Respondent, or the assistant for whom he was responsible, obtained, possessed and used to process transactions, 21 pre-signed account forms in respect of 12 clients.

13. The pre-signed account forms included seven switch or conversion forms, 10 redemption forms, two subsequent investment forms, and two banking information forms.

¹ The Respondent has also been registered with the Dealer Member in Manitoba and Alberta since January 31, 2018, in British Columbia since January 2, 2020, and in Ontario since October 15, 2020.

14. The information added to the account forms after the clients had signed the forms included: redemption amounts; transfer amounts; payee and delivery instructions; fund names and codes; load structure; withholding tax percentages; DSC fee percentages (indicated as 0% on the forms at issue); client banking information; account numbers; plan types; client personal information; and dates.

Altered Account Forms

15. At all material times, the Dealer Member's policies and procedures prohibited its dealing representatives from altering or correcting any information on account forms without having the client initial the alteration to show that the alteration was authorized by the client.

16. Between July 11, 2019 and February 25, 2022, the Respondent, or the assistant for whom he was responsible, altered or used to process transactions, two account forms in respect of two clients, by altering information on the account forms without having the clients initial the alterations to show that the alterations were authorized.

17. The altered account forms included one application form and one subsequent investment form.

18. The alterations made to the account forms included changes to: investment instructions; an initial investment amount; purchase amount percentages; client personal information; and a fund number.

Dealer Member's Investigation

19. In April 2022, during a branch review, the Dealer Member discovered some of the pre-signed and altered account forms described above. As a result, the Dealer Member conducted a full review of the client files maintained by the Respondent and discovered the remaining pre-signed and altered account forms.

20. As part of its investigation into the Respondent's conduct, the Dealer Member sent audit letters to the affected clients in order to determine the accuracy of the information and whether the underlying transactions were authorized. No clients responded to the Dealer Member with any concerns.

21. On April 27, 2022, the Dealer Member issued the Respondent a disciplinary letter in respect of the conduct described in the Settlement Agreement.

22. On April 27, 2022, the Dealer Member placed the Respondent under close supervision for a period of six months. The Dealer Member reported that no concerns or further issues were identified while the Respondent was under close supervision.

23. The Respondent paid a \$400 monthly supervision fee to the Dealer Member, totaling \$2,400, to cover the costs associated with the close supervision.

Additional Factors

24. The Respondent began engaging in the conduct described in the Settlement Agreement during the first year of his registration in the securities industry and continued with the conduct until 2022.

25. The Respondent has not previously been the subject of disciplinary proceedings commenced by the MFDA or CIRO.

26. There is no evidence of client financial loss or lack of authorization for the underlying transactions, and no clients have complained to CIRO or the Dealer Member.

27. By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources and expenses associated with conducting a contested hearing on the allegations.

V. ADDITIONAL TERMS OF SETTLEMENT

28. This settlement is agreed upon in accordance with Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure.

29. The Settlement Agreement is subject to acceptance by the Hearing Panel. At or following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. Settlement Hearings are typically held in the absence of the public pursuant to Mutual Fund Dealer Rule 7.3.5 and Rule 15.2(2) of the Mutual Fund Dealer 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.ciro.ca.

30. 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 agreed, 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.

31. 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 at the settlement hearing, subject to Rule 15.3 of the Mutual Fund Dealer Rules of Procedure;
- (b) the Respondent agrees to waive any rights to a full hearing, a review hearing or appeal, including before the Board of Directors of CRO 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) except for any proceedings commenced to address an alleged failure to comply with this Settlement Agreement, Staff will not initiate any proceeding under the Mutual Fund Dealer Rules 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, 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;
- (d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to Mutual Fund Dealer Rule 7.4.1.1 for the purpose of giving notice to the public thereof in accordance with Mutual Fund Dealer Rule 7.4.5; 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.

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 Mutual Fund Dealer Rule 7.4.3 against the Respondent based on, but not limited to, the facts set out in this 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, 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 Mutual Fund Dealer Rules 7.3 and 7.4, unaffected by the Settlement Agreement or the settlement negotiations.

34. 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. The terms of the Settlement Agreement will be released to the public if and when the Settlement Agreement is accepted by the Hearing Panel.

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

DATED this 29th day of November, 2024.

“Lance Garrett Henry Dueck”
Lance Garrett Henry Dueck

“Witness” _____
Witness - Signature

“Witness” _____
Witness - Print name

“Tyler Beazer”

Staff of the Canadian Investment Regulatory Organization
Tyler Beazer, Enforcement Counsel

ⁱ On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization recognized under applicable securities legislation that is called the Canadian Investment Regulatory Organization (referred to herein as “CIRO”). CIRO adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules. Pursuant to Mutual Fund Dealer Rule 1A and s.14.6 of By-Law No. 1 of CIRO, contraventions of former MFDA regulatory requirements may be enforced by CIRO.