# Re Dueck

**IN THE MATTER OF:**

**The Mutual Fund Dealer Rules**

**and**

**Lance Garrett Henry Dueck**

2025 CIRO 13

Canadian Investment Regulatory Organization
Hearing Panel (Saskatchewan District)

Heard: February 21, 2025, in Regina, Saskatchewan (via videoconference)

Decision: February 21, 2025
Reasons for Decision: March 11, 2025

**Hearing Panel:**
Sherri Walsh, Chair
Eric Wray, Industry Representative
Sean Shore, Industry Representative

**Appearances:**
Tyler Beazer, Enforcement Counsel
Zachary Pringle, Counsel for the Respondent
Lance Garrett Henry Dueck, Respondent (present)

---

## Reasons for Decision

---

### I. INTRODUCTION

[1] By a Notice of Settlement Hearing issued on December 6, 2024, a Hearing Panel of the Saskatchewan District Hearing Committee (the "Hearing Panel") of the Canadian Investment Regulatory Organization ("CIRO") was convened to consider whether pursuant to Mutual Fund Dealer Rules 7.3 and 7.4.1[1], the Hearing Panel should accept a Settlement Agreement dated November 29, 2024 (the "Settlement Agreement") entered into by Enforcement Staff of CIRO ("Staff") and Lance Garrett Henry Dueck (the "Respondent").

[2] A Settlement Hearing was held by videoconference on February 21, 2025, which was attended by the Respondent and his legal counsel (the "Hearing").

---

[1] 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.

[3] At the outset of the Hearing, the Hearing Panel granted the parties' motion to move the proceedings *in-camera*.

[4] After hearing submissions from the parties and considering the provisions of the Settlement Agreement, the Hearing Panel accepted the Settlement Agreement and issued an Order to that effect that also contained the following provision:

> 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 Corporate Secretary's Office, Mutual Fund Dealer Division of CIRO 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.

[5] These are the Hearing Panel's reasons for accepting the Settlement Agreement.

## II. CONTRAVENTIONS

[6] In the Settlement Agreement, the Respondent admitted that:

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

[7] In the Settlement Agreement, Staff and the Respondent agreed to the following terms of settlement:

a) The Respondent shall pay a fine in the amount of $14,000.00 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 $3,000.00 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.

## IV. THE FACTS

[8] The facts which formed the basis for the Settlement Agreement are contained in paragraphs 8 through 27 of that Agreement and are reproduced below:

**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).

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 including seven switch or conversion forms, 10 redemption forms, two subsequent investment forms, and two banking information forms.

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% of 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. ANALYSIS

[9] Prior to accepting a settlement agreement, a hearing panel must be satisfied that:

a) The facts admitted by the respondent constitute misconduct in contravention of the Mutual Fund Dealer Rules; and

b) The sanction agreed to by Staff and the respondent in the settlement agreement falls within a reasonable range of appropriateness, bearing in mind the nature and extent of the respondent's admitted conduct and all of the circumstances.

**Misconduct – the Law**

[10] The relevant legal principles were comprehensively set out by Staff in their Written Submissions and the Hearing Panel has relied closely upon those submissions in setting out our reasons for accepting the Settlement Agreement.

Contravention of the Standard of Conduct Rule 2.1.1

[11] Mutual Fund Dealer Rule 2.1.1 prescribes the standard of conduct applicable to registrants in the Mutual Fund Industry. The Rule requires, among other things, that each Member and each Approved Person of a Member shall: deal fairly, honestly and in good faith with clients; observe high standards of ethics and conduct in the transaction of business; and not engage in any business conduct or practice which is unbecoming or detrimental to the public interest.

[12] The Rule is central to CIRO's mandate to enhance investor protection and strengthen public confidence in the Canadian Mutual Fund Industry. It is a broad rule which is designed to protect the public interest by requiring Approved Persons to adhere to a high standard of ethical conduct.

[13] The Rule articulates the most fundamental obligations of all registrants in the securities industry. It has been interpreted and applied in a purposive manner in a wide range of circumstances, including cases with similar misconduct to the conduct in the present case. [2]

Pre-Signed Account Forms

[14] Hearing Panels have consistently held that obtaining or using pre-signed or altered forms is a contravention of the standard of conduct prescribed under Mutual Fund Dealer Rule 2.1.1. [3]

[15] "Pre-signed forms" is a generic term that applies to a variety of situations in which an Approved Person obtains a client's signature on an account form before all of the material information on the document is completed. Members and Approved Persons are only permitted to obtain, use and process forms that are executed by the client after all the information on the form has been properly completed.

[16] The MFDA warned Members and Approved Persons against the use of pre-signed forms for many years by issuing Notices and Bulletins.[4] In the Bulletin it issued on October 2, 2015 (Bulletin #0661-E) it not only warned

---

[2] *Breckenridge (Re)*, 2007 CanLII 80232 (CMFDA) at para 71
*Izhar (Re)*, 2022 CanLII 115352 (CMFDA) at para 5
*Bell (Re)*, 2019 CanLII 12463 (CMFDA) at paras 9–11

[3] *Lok (Re)*, 2020 CanLII 80673 (CMFDA) at para 9
*Bell*, *supra* para 12 at paras 9–10

[4] Staff Notice MSN-0066 – Signature Falsification, dated October 31, 2007 (updated March 4, 2013 and January 26, 2017)
MFDA Bulletin #0661-E – Signature Falsification, dated October 2, 2015

about the dangers associated with the use of pre-signed forms but also put the mutual fund industry on notice that Staff would be seeking enhanced penalties and disciplinary proceedings for conduct that occurred after the publication of that bulletin.

[17] Hearing Panels have consistently found that obtaining pre-signed forms after the publication of Bulletin #0661-E is an aggravating factor.[5]

[18] The use of pre-signed forms is serious misconduct that adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation. As the Hearing Panel explained in *Price*:[6]

> Pre-signed forms present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading. [...]
>
> At its worst, pre-signed forms create a mechanism for an Approved Person to engage in acts of fraud, theft or other forms of harmful conduct towards a client. [...]
>
> Pre-signed forms also subvert the ability of a Member to properly supervise trading activity. They destroy the audit trail. The presence of a client's signature on a trade form can no longer be taken as confirmation that the client authorized a particular trade. It also compromises the ability of the Member to subsequently investigate and respond to a client complaint concerning the propriety of trading activity in his or her account.

[19] The prohibition on the use of pre-signed forms applies regardless of whether:

(a) the client was aware, or authorized the use, of the pre-signed forms; or

(b) the forms were used by the Approved Person for discretionary trading or other improper purposes.[7]

Altered Account Forms

[20] When an Approved Person alters information on an account form without having the client initial the alteration to show that the client is aware of the change and has duly authorized it, the Approved Person engages in conduct that is also contrary to Mutual Fund Dealer Rule 2.1.1.

[21] Hearing panels have consistently held that altering account forms without obtaining client initials is a contravention of the standard of conduct prescribed under the Rule.[8]

[22] Historically, the MFDA (now CIRO) has warned Members and Approved Persons against altering account forms without having the client initial the alteration to show that they are aware of the change that was made to the information on the form, in the same Notices and Bulletins it published warning about the use of pre-signed forms.

[23] Like the use of pre-signed forms, the improper alteration and use of altered account forms by Approved Persons is serious misconduct that adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation.

---

[5] *Owen (Re)* 2017 CanLII 89023 (see MFDA at para 35)
[6] *Price (Re)*, 2011 CanLII 72458 (CMFDA) at paras 122–124
[7] *Bell (Re) supra* at para 9
[8] *Lok (Re)*, *supra* para 14 at para 9
*Bell (Re)*, *supra* para 12 at paras 9–10

[24] The concerns regarding the use of pre-signed forms that were set out by the hearing panel in *Price (Re)* apply equally to the use of altered account forms where those forms do not contain any indication of client authorization, such as, for example, a client's initials. Additionally, altered forms present a risk that the changes made by the Approved Person have been done without the client's knowledge or consent.[9]

[25] The prohibition against altering client account forms exists regardless of the existence of client knowledge or authorization, the motive behind the use of the altered form, or whether the forms were used to further other misconduct such as discretionary trading or other improper purposes.[10]

[26] Hearing panels have consistently found that altering account forms without obtaining client initials after the publication of Bulletin #0661-E may be considered an aggravating factor.[11]

Respondent is Responsible for Actions of Assistant

[27] The Hearing Panel agrees with Staff's submission that to the extent the Respondent states his assistant obtained, possessed, altered or used deficient forms to process transactions, the Respondent is responsible for that misconduct.

[28] While Approved Persons are permitted to delegate certain tasks to their assistants, from a regulatory perspective, the Approved Person remains responsible for the actions of the assistant, including ensuring the assistant is properly supervised.[12]

[29] In this case, in respect of the pre-signed and altered account forms described above, the Respondent has agreed that he did not adequately supervise his assistant to ensure that such forms were not obtained, possessed or used to process transactions and that he is responsible for his assistant's conduct in that regard.

[30] For all of the reasons set out above, the Hearing Panel concludes that the Respondent's conduct constituted misconduct in contravention of the Mutual Fund Dealer Rules.

**Assessment of the Proposed Penalty**

Role of the Hearing Panel

[31] The role a hearing panel performs at a settlement hearing is fundamentally different from the role it performs at a contested hearing.

[32] When considering a settlement agreement, a hearing panel has only two options: either to accept or reject the agreement. [13]

[33] As stated by the hearing panel in *Sterling Mutuals Inc. (Re)* citing the I.D.A. Ontario District Council in *Milewski (Re)*:

> ...while in a contested hearing the Panel attempts to determine the correct penalty, in a settlement hearing the Panel "will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness." (In *re Milewski*, [1999] I.D.A.C.D. No. 17)[14]

---

[9] *Lewis (Re)*, 2018 CanLII 43822 (CMFDA) at paras 29–30
*Owen (Re)*, *supra* para 16 at paras 32–34

[10] *Bell*, *supra* para 12 at para 9

[11] *Bates (Re)*, 2020 CanLII 30011 (CMFDA) at paras 10–11
*Fulton (Re)*, 2023 CanLII 81955 (CMFDA) at para 23

[12] *Meunier (Re)*, 2016 CanLII 87270 (CMFDA) at paras 41–43
*Varteresian (Re)*, 2017 CanLII 4074 (CMFDA) at paras 20–22

[13] Mutual Fund Dealer Rule 7.4.4.3

[14] *Sterling Mutuals Inc. (Re),* MFDA File No. 200820, Hearing Panel of the Central Regional Council, Decision and Reasons dated September 3, 2008, at para 37

[34] Hearing panels have acknowledged that one of the reasons that settlement agreements which have been worked out by the parties should be respected is because panels do not know what led to the settlement, or what was given up by the parties during the course of their negotiations.[15]

[35] The rationale for respecting settlements of the nature found in the Settlement Agreement in this case, was further articulated by the British Columbia Court of Appeal:

> Settlements assist the Commission to ensure that its overriding objective, the protection of the public, is met. Settlements proscribe activities that are harmful to the public. In so doing, they are effective in accomplishing the purposes of the statute. They provide means of reaching a flexible remedy that is tailored to address the interests of both the Commission and the person under investigation. Enforcement is rarely a concern because the settlement is voluntary. A person who is the subject of an investigation retains the option of refusing to settle and proceeding to a hearing. Settlements are also efficient. Both parties can forego the time and expense of a hearing. Or, they can settle some matters, and direct their resources to the matters that are in dispute, and therefore to be resolved by way of a hearing.[16]

[36] Although the *Seifert* decision dealt with an agreement that was before the British Columbia Securities Commission, the case has frequently been cited by hearing panels in MFDA and CIRO settlement hearings.

Factors Concerning Acceptance of a Settlement Agreement

[37] Hearing panels have repeatedly expressed the view that, generally, settlement agreements should be accepted, bearing in mind the following criteria:

a) That it is in the public interest to do so and that the penalties proposed will be sufficient to protect investors;

b) That the agreement is reasonable and proportionate, having regard to the conduct of the respondent;

c) That the agreement addresses the issues of both specific and general deterrence;

d) That the agreement is likely to prevent the type of conduct set out in the facts;

e) That the agreement will foster confidence in the integrity of the Canadian capital markets;

f) That the agreement will foster confidence in the integrity of the MFDA (now CIRO); and

g) That the agreement will foster confidence in the regulatory process itself.[17]

Factors Concerning the Appropriateness of the Proposed Penalty

[38] The primary goal of all securities regulation is investor protection.[18]

[39] In addition to investor protection, the goals of securities regulation include fostering public confidence in the capital markets and in the securities industry, as a whole.[19]

[40] In determining the appropriateness of a proposed penalty, hearing panels also frequently cite the decision in *Breckenridge (Re)*, where the panel stated that sanctions "... should be preventative, protective and prospective in nature ..." taking into account the following considerations:

a) the protection of the investing public;

---

[15] *Fike (Re),* MFDA File No. 2017102, Hearing Panel of the Central Regional Council, Decision and Reasons dated December 7, 2017, at paras 22 and 23

[16] *British Columbia (Securities Commission) v Seifert*, 2007 BCCA 484, at para 31

[17] *Sterling Mutuals Inc. (Re), supra,* at para 36

[18] *Pezim v British Columbia (Superintendent of Brokers)*, [1994] 2 S.C.R. 557, at para 68

[19] *Pezim, supra*, at paras 59 & 68

b) the integrity of the securities markets;

c) specific and general deterrence;

d) the protection of the MFDA's membership; and

e) protection of the integrity of the MFDA's enforcement processes.[20]

[41] The panel in *Breckenridge (Re)* set out the following additional factors which a hearing panel should consider, having regard to the specific circumstances of the case:

a) the seriousness of the allegations proved against the respondent;

b) the respondent's experience in the capital markets;

c) the level of the respondent's activity in the capital markets;

d) the harm suffered by investors as a result of the respondent's activities;

e) the benefits received by the respondent as a result of the improper activity;

f) the risk to investors and the capital markets in the jurisdiction, were the respondent to continue to operate in capital markets in the jurisdiction;

g) the damage caused to the integrity of the capital markets in the jurisdiction by the respondent's improper activities;

h) the need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activity;

i) the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets; and

j) previous decisions made in similar circumstances.[21]

CIRO Sanction Guidelines

[42] On February 1, 2024, CIRO published Sanction Guidelines which apply to proceedings conducted by hearing panels of CIRO (the "Guidelines"). The Guidelines are there to assist Staff and respondents in conducting disciplinary proceedings and negotiating settlement agreements and to assist hearing panels in determining fair and efficient dispositions of settled and contested disciplinary proceedings. While those Guidelines are not mandatory or binding on a hearing panel, they provide a summary of the key factors upon which a hearing panel can exercise its discretion in a consistent and fair manner.

[43] Many of the same factors that are listed above, which have been considered in previous decisions of hearing panels, are reflected and described in the Guidelines.

Application to the Present Case

Nature of the Misconduct

[20] *Breckenridge (Re), supra,* at paras 75 & 76
[21] *Breckenridge (Re), supra,* at para 77

[44] The misconduct in which the Respondent engaged was very serious.

[45] Obtaining, possessing and using pre-signed account forms and altering account forms without obtaining client initials is all conduct which has consistently been considered by hearing panels to be serious misconduct.

[46] All of the pre-signed and altered accounts forms at issue in this case were obtained after MFDA Bulletin #0661-E was published on October 2, 2015.

[47] We agree with Staff's submission that this is an aggravating factor as has been discussed by previous hearing panels.[22]

[48] Finally, the Hearing Panel reiterates the concerns expressed by previous hearing panels that the type of misconduct engaged in by the Respondent in this matter continues to occur in the Mutual Fund Industry, despite the disapproval expressed by Canadian Securities regulatory authorities and prior hearing panels.[23]

Respondent's Experience in the Securities Industry

[49] The Respondent has been registered in the securities industry since approximately October 2017. He was, therefore, relatively inexperienced at the time he engaged in the conduct which is the subject of these proceedings.

[50] The Hearing Panel agrees with Staff's submission that although registrants are presumed to know their regulatory requirements, the Respondent's inexperience may be considered a mitigating factor in this case.

Respondent's Recognition of the Seriousness of the Misconduct

[51] The Hearing Panel is satisfied that the Respondent recognizes the seriousness of his actions. By entering into the Settlement Agreement, he has fully admitted his misconduct and has consented to a penalty, thereby accepting responsibility for his actions and avoiding the time and expense of a fully contested disciplinary hearing.

[52] The Hearing Panel also notes that when the Dealer Member discovered the Respondent's misconduct in April 2022, it issued a disciplinary letter to him, placed him under close supervision for 6 months and imposed a supervision fee of $2,400.00 on him. The Dealer Member has reported that no concerns or further issues were identified while the Respondent was under close supervision.[24]

Respondent's Past Conduct Including Prior Sanctions

[53] The Respondent has not previously been the subject of disciplinary proceedings commenced by either the MFDA or CIRO.

Harm Suffered by Investors

[54] The Dealer Member sent audit letters to affected clients, along with copies of their transaction history and know-your-client-information to determine the accuracy of the information on the pre-signed and altered account forms and whether the underlying transactions were authorized. No clients responded to the Dealer Member with any concerns.

[55] There is also no evidence of any lack of authorization or financial loss to clients resulting from the Respondent's conduct; nor have any clients complained to the Dealer Member or CIRO.

Deterrence

---

[22] *Owen*, *supra* para 16 at paras 27, 35
*Lok*, *supra* para 14 at para 16.
[23] *Ramjohn (Re)*, 2021 CanLII 134670 (CMFDA) at para 1
*Kachur (Re)*, 2022 CanLII 70887 (CMFDA) at para 36
[24] Settlement Agreement at paras 19-23

[56] Deterrence is intended to capture both specific deterrence of the wrongdoer as well as general deterrence of other participants in the capital markets. As stated by the Supreme Court of Canada in *Cartaway Resources Corp. (Re)*:

> The Oxford English Dictionary (2nd ed. 1989), vol. XII, defines "preventive" as "[t]hat anticipates in order to ward against; precautionary; that keeps from coming or taking place; that acts as a hindrance or obstacle". A penalty that is meant to deter generally is a penalty that is designed to keep an occurrence from happening; it discourages similar wrongdoing in others. In a word, a general deterrent is preventative. It is therefore reasonable to consider general deterrence as a factor, albeit not the only one, in imposing a sanction under s. 162. The respective importance of general deterrence as a factor will vary according to the breach of the Act and the circumstances of the person charged with breaching the Act.[25]

[57] To achieve deterrence, sanctions must inevitably impose a burden on those who contravene CIRO's regulations. Sanctions imposed by a hearing panel should be protective and preventative so as to prevent likely future harm to the markets. This aim, however, does not render a sanction that has the effect of punishing a respondent, inappropriate. An administrative sanction that is too low would not only fail to achieve deterrence but could erode public confidence in the disciplinary process. As stated by the Hearing Panel in *Kowalsky (Re)*:

> ...While the primary objective of sanctions is to prevent future misconduct by the Respondent and other industry participants, and not to punish the Respondent, some element of punishment of the Respondent is the inevitable result of any sanctions. But the fact that some punishment of the Respondent may occur, should not inhibit the Panel from imposing sanctions, so long as the primary goal of those sanctions is the prevention of future misconduct.[26] [Underlining in original.]

[58] The importance of general deterrence to maintaining public confidence in the securities regulatory system has been the subject of a number of CIRO hearing panel decisions. For example, in *Brown-John*, the hearing panel held that sanctions must reaffirm public confidence in the system and that in order to achieve this, penalties must be sufficient to dissuade other registrants from engaging in similar conduct.[27]

[59] In this matter, the Hearing Panel finds that the proposed penalty set out in the Settlement Agreement will serve as both a specific deterrent to the Respondent and a general deterrent to others registered in the mutual fund industry.

[60] It sends a clear message that the type of misconduct which is the subject of these proceedings will not be tolerated within the securities industry and puts the industry on notice that engaging in such misconduct is considered a serious contravention of the Rules, resulting in significant fines imposed against registrants who engage in such conduct.

Previous Decisions Made in Similar Circumstances

[61] Staff submitted that the sanction proposed in the Settlement Agreement was consistent with financial penalties imposed by MFDA and CIRO hearing panels in previous cases with similar circumstances: *Re Hall*, 2024 CIRO 49; *Re VanAmburg*, 2023 CIRO 49; *Kowall (Re)*, 2023 CanLII 25862; and *Mailloux (Re)*, 2022 CanLII 93215.

[62] Staff took the time during the Hearing to review the circumstances and findings of each of these decisions for the Hearing Panel's benefit.

[63] Based on Staff's Submissions, the Hearing Panel was satisfied that the proposed penalty falls within a reasonable range, having regard to the circumstances of this case.

---

[25] *Cartaway Resources Corp. (Re),* 2004 SCC 26 at para 61
[26] *Kowalsky (Re),* 2022 LNCMFDA 31, para 11
[27] *Brown-John (Re)*, 2005 CanLII 77709 (CMFDA)

[64] The Panel also notes that the Guidelines say that a Member's internal discipline measures are relevant factors to consider when determining the appropriateness of the proposed penalty and the Hearing Panel has taken those circumstances into consideration in this case.

## VI. COSTS

[65] The principle of awarding costs in a disciplinary proceeding appropriately holds the Respondent accountable for a portion of the costs incurred by Staff as a result of the Respondent's regulatory misconduct. Pursuant to Mutual Fund Dealer Rule 7.4.2, the Hearing Panel agrees with the proposed terms contained in the Settlement Agreement relating to costs.

## VII. CONCLUSION

[66] Having reviewed the Settlement Agreement and considered Staff's Submissions both written and oral, with which the Respondent's counsel agreed, the Hearing Panel finds that the proposed penalty set out in the Settlement Agreement falls within a reasonable range of appropriateness having regard to CIRO's regulatory objectives and the Respondent's conduct in all of the circumstances.

[67] The proposed penalty is reasonable and proportionate. It will deter the Respondent and other Approved Persons from engaging in similar misconduct in the future and it conveys to the industry the importance of complying with the regulatory requirements that were breached by the Respondent in this matter.

[68] For all of the above reasons, the Hearing Panel, therefore, accepts the Settlement Agreement.

**DATED** this 11th day of March, 2025

"Sherri Walsh"
Sherri Walsh
Chair

"Eric Wray"
Eric Wray
Industry Representative

"Sean Shore"
Sean Shore
Industry Representative

**IN THE MATTER OF**

**THE MUTUAL FUND DEALER RULES**[i]

**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 CIRO 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.