Re Mei-Hui Bobb

IN THE MATTER OF:

The Mutual Fund Dealer Rules[1]

and

Mei-Hui Bobb

2024 CIRO 12

Canadian Investment Regulatory Organization
Hearing Panel (Pacific District)

Heard: December 12, 2023, in Vancouver, British Columbia (via videoconference)
Decision: December 12, 2023
Reasons for Decision: January 19, 2024

Hearing Panel:
Michael Carroll, K.C., Chair
Nova Aitchison, Industry Representative
Darlene Barker, Industry Representative

Appearances:
Eric Chow, Enforcement Counsel
Mei-Hui Bobb, Respondent (present)

REASONS FOR DECISION

BACKGROUND

¶ 1 By Notice of Settlement Hearing issued on August 11, 2023, the Canadian Investment Regulatory Organization ("CIRO") commenced a disciplinary proceeding against Mei-Hui Bobb (the "Respondent") pursuant to sections 7.3 and 7.4 of the Mutual Fund Dealer Rules.

¶ 2 Staff of CIRO ("Staff") and the Respondent have entered into a Settlement Agreement, dated August 15, 2023 (the "Settlement Agreement"), in which the Respondent has admitted to certain misconduct in contravention of the Mutual Fund Dealer Rules, as set out below.

¶ 3 In this proceeding the Hearing Panel has been requested to approve and accept the Settlement

[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 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. The wording of the by-law, rules and policies of the MFDA that were in force at the time of the misconduct have been referenced the relevant section of the Mutual Fund Dealer Rules in allegations against the Respondent in proceedings commenced after January 1, 2023. Pursuant to transition provisions in Mutual Fund Dealer Rule 1A, MFDA By-law No. 1 continues to be applicable to this proceeding.

Agreement pursuant to s. 14.6 of CIRO By - Law No. 1.

FACTS

¶ 4 The material facts of this case are set out in Part IV, paragraphs 7 to 26 of the Settlement Agreement which is attached hereto as Schedule A.

¶ 5 As of the date of the Settlement Hearing, the Respondent was registered in British Columbia as a dealing representative with PFSL Investments Canada Ltd. (the "Dealer Member") (formerly a Member of the MFDA).

CONTRAVENTIONS

¶ 6 In the Settlement Agreement the Respondent admits to the following violations of the Mutual Fund Dealer Rules[2]:

(a) Between November 2020 and April 2021, the Respondent photocopied signature pages from account forms that had previously been signed by clients and re-used the signature pages to complete seven additional account forms in respect of five clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1);

(b) Between May 2019 and March 2021, the Respondent altered and used to process transactions 18 account forms in respect of 15 clients by altering information on the account forms without having the client initial the alterations, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1); and

(c) Between November 2020 and September 2021, the Respondent obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of six clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

PROPOSED PENALTY

¶ 7 We have been advised by counsel that If the Settlement Agreement is approved the following penalties will be imposed on the Respondent:

(a) The Respondent shall be suspended from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer for a period of two months commencing on the third business day after the acceptance of this Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.1(c);

(b) The Respondent shall pay a fine in the amount of $28,000 ("Fine"), pursuant to Mutual Fund Dealer Rule 7.4.1.1

(c) The Respondent shall pay costs in the amount of $5,000 ("Costs"), pursuant to Mutual Fund Dealer Rule 7.4.2;

(d) The payment by the Respondent of the Fine and Costs shall be made to and received by CIRO in certified funds, according to a schedule set out in the Settlement Agreement; and

(e) If the Respondent fails to make any of the payments of the Fine or Costs as they become due, then any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to CIRO.

¶ 8 Counsel for both parties submit that the Settlement Agreement should be accepted because the proposed penalty falls within the reasonable range of appropriateness having regard to the nature and extent of the Respondent's admitted misconduct, and also satisfies CIRO's regulatory objective of protecting the public.

¶ 9 There are two issues which we must determine in this case:

[2] At the time of the conduct addressed in this proceeding, MFDA Rule 2.1.1 was in effect and is now incorporated into Mutual Fund Dealer Rule 2.1.1 referred to in this proceeding

(a) Do the facts admitted by the Respondent constitute misconduct in contravention of the Mutual Fund Dealer Rules?

(b) Do the sanctions proposed in the Settlement Agreement fall within a reasonable range of appropriateness, bearing in mind the nature and extent of the Respondent's admitted misconduct and all of the circumstances?

Do the Facts admitted by the Respondent constitute misconduct in contravention of the Mutual Fund Dealer Rules?

¶ 10 Mutual Fund Dealer Rule 2.1.1 is a rule of general application which prescribes the standard of conduct applicable to registrants in the mutual fund industry. The Rule requires, amongst other things, that:

> Each Member and Approved Person of a Member shall: deal fairly, honestly and in good faith with its 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.

¶ 11 Rule 2.1.1 is central to CIRO's mandate of enhancing investor protection and strengthening public confidence in the Canadian mutual fund industry. The Rule articulates the most fundamental obligations of all registrants in the securities industry.

> *Pezim v. British Columbia (Superintendent of Brokers)*, [1994] 2 SCR 557

Re-Using Client Signatures is Not Permissible

¶ 12 An Approved Person has engaged in conduct which is contrary to Mutual Fund Dealer Rule 2.1.1 when they photocopy and re-use a client's signature on an account form which is considered a form of signature falsification.

> *Ross (Re)*, [2022] Hearing Panel of the Pacific Regional Council, MFDA Hearing No. 202224. Hearing Panel Decision dated October 24, 2022

¶ 13 CIRO has warned Approved Persons against engaging in signature falsification on a number of occasions.

> MFDA Staff Notice 0066, Signature Falsification, dated October 31, 2007 (Updated January 26, 2017),
>
> MFDA Bulletin #0661-E

¶ 14 It has been held that photocopying and re-using client signatures, contravenes the standard of conduct described under Mutual Fund Dealer Rule 2.1.1, and particularly serious conduct. In the matter of *Barnai (Re)*, the Hearing Panel, cited earlier decisions, one of which was *Bell (Re)* which summarized the principles with respect to falsified client signatures.

> "Falsifying client signatures or initials is serious misconduct. Signature falsification (like the use of pre-signed forms) 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."
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> As a Hearing Panel of the Investment Dealers Association (now IIROC) stated in *Bell (Re):*
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> **"Forgery is always serious. It is unequivocally condemned because it is fundamentally dishonest and dangerous. Any act of forgery is a step onto a steep and slippery slope of deception that is always potentially harmful to clients and actually harmful to the Member firm and the securities industry as a whole."** (*emphasis added*).

¶ 15 Among other things, photocopying and re-using a client's signature adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Dealer Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation.

¶ 16 In the present case, as stated in paragraph 4 of the Settlement Agreement, the Respondent admits that they photocopied and re-used signature pages for five clients on seven account forms and submitted the account forms to the Member for processing, contrary to Mutual Fund Dealer Rule 2.1.1.

Pre-signed and Altered Forms

¶ 17 The alteration of account forms without obtaining a client's initials and the creation, possession, and use of pre-signed account forms is serious misconduct As held by the Hearing Panel in Wong (Re):

> The reason for the stringency associated with the rules regarding pre-signed and altered forms is clear. Approved persons may not engage in discretionary trading. Moreover, the preparation and preservation of an audit trail is essential in the securities and mutual fund industries. An approved person must be able to support the claim that trades or transactions were based on client instructions.
>
> Any departure from the required standard will result in a determination that the dealing representative has contravened the MFDA Rules and will result in penalty. Ignorance of the rule, negligence, or mere carelessness affords no defence. The breach is much like a simple speeding ticket: travelling in excess of the posted limit is an offence. No excuse exonerates the speeder. Likewise, no excuse exonerates a dealing representative who obtains a pre-signed form from a client and then completes and uses it, or who alters a properly executed form without the alteration being initialed by the client.
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> *Wong (Re)*, 2021 LNCMFDA 23 at paras. 27-28,

¶ 18 In the present case, the Respondent has altered and used to process transactions 18 account forms in respect of 15 clients and obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of six clients contrary to Mutual Fund Dealer Rule 2.1.1.

Do the sanctions proposed in the Settlement Agreement fall within a reasonable range of appropriateness, bearing in mind the nature and extent of the Respondent's admitted misconduct and all of the circumstances?

General Principles Regarding the Acceptance of Settlement Agreements

¶ 19 Pursuant to Mutual Fund Dealer Rule 7.4.4.3, a Hearing Panel has two options with respect to a settlement agreement. It may either accept the settlement agreement or reject it.

> Mutual Fund Dealer Rule 7.4.4.3

¶ 20 The role of a Hearing Panel at a settlement hearing is fundamentally different than its role at a contested hearing. As was stated by the Hearing Panel in *Sterling Mutuals Inc. (Re)*, quoting the reasoning in the I.D.A. matter of *Milewski (Re)*:

> We also note that 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.** *[Emphasis added]*
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> *Sterling Mutuals Inc. (Re)*, [2008] Hearing Panel of the Central Regional Council, MFDA File No. 200820, Reasons for Decision dated September 3, 2008, at para. 35
>
> *Milewski (Re)*, [1999] I.D.A.C.D. No. 17, Ontario District Council Decision dated July 28, 1999, at P. 10

¶ 21 A Hearing Panel should not interfere lightly in negotiated settlement as long as the penalties agreed upon are within a reasonable range of appropriateness having regard to the conduct of the Respondent:

(a) whether acceptance of the settlement agreement would be in the public interest and whether the penalty imposed will protect investors;

(b) whether the settlement agreement is reasonable and proportionate, having regard to the conduct of the Respondent as set out in the settlement agreement;

(c) whether the settlement agreement addresses the issues of both specific and general deterrence;

(d) whether the proposed settlement will prevent the type of conduct described in the settlement agreement from occurring again in the future;

(e) whether the settlement agreement will foster confidence in the integrity of the Canadian capital markets;

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

(g) whether the settlement agreement will foster confidence in the regulatory process itself.

Jacobson (Re), [2007] Hearing Panel of the Prairie Regional Council, MFDA File No. 200712, Hearing Panel Reasons for Decision dated July 13, 2007, at para. 68

Specific Factors Concerning the Appropriateness of Penalty

¶ 22 Factors which Hearing Panels frequently consider when determining whether a penalty is appropriate include the following:

(a) the seriousness of the allegations proved against the Respondent;

(b) the Respondent's past conduct, including prior sanctions;

(c) the Respondent's experience and level of activity in the capital markets;

(d) whether the Respondent recognizes the seriousness of the improper activity;

(e) the harm suffered by investors as a result of the Respondent's activities;

(f) the benefits received by the Respondent as a result of the improper activity;

(g) the risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;

(h) the damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;

(i) 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;

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

(k) previous decisions made in similar circumstances.

Headley (Re), [2006] Hearing Panel of the Pacific Regional Council, MFDA File No. 200509, Hearing Panel Reasons for Decision dated February 21, 2006, at para. 85

Considerations in the Present Case

Nature of the Misconduct

¶ 23 For the reasons described, falsified signatures and the use of pre-signed and altered forms are serious breaches of Mutual Fund Dealer 2.1.1. The conduct is further aggravated by the fact that all the account forms were obtained after the MFDA issued MFDA Bulletin #0661-E.

¶ 24 Other Hearing Panels have found that Imposing meaningful penalties on Approved Persons who engage in this kind of misconduct is an effective form of deterrence within the industry.

Ramjohn (Re), [2021] Hearing Panel of the Central Regional Council, MFDA File No. 202067, Hearing Panel Decision dated October 22, 2021 at para. 1

> *Gilchrist (Re)*, [2017] Hearing Panel of the Pacific Regional Council, MFDA File No. 2016100, Hearing Panel Decision dated May 29, 2017 at para. 16
>
> *Myers (Re)*, [2021] Hearing Panel of the Central Regional Council, MFDA File No. 202145, Hearing Panel Decision dated January 10, 2022 at para. 29
>
> *Kachur (Re)*, [2022] Hearing Panel of the Prairie Regional Council, MFDA File No. 202201, Hearing Panel Decision dated July 6, 2022 at para. 36.

The Respondent's Recognition of the Seriousness of the Misconduct

¶ 25 The Respondent has acknowledged the seriousness of the contravention of Mutual Fund Dealer Rules in the Settlement Agreement. By entering into the Settlement Agreement, the Respondent has accepted responsibility for the misconduct, and has saved the time, resources and expenses associated with a full disciplinary hearing.

The Respondent's Past Conduct Including Prior Sanctions

¶ 26 The Respondent has not previously been subject of MFDA or CIRO disciplinary proceedings.

Benefits Received by the Respondent

¶ 27 There is no evidence the Respondent received any financial benefits from the misconduct beyond the commissions or fees the Respondent would ordinarily have been entitled to receive had the transactions been carried out in the required manner.

Deterrence

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

> Deterrent penalties work on two levels. They may target society generally, including potential wrongdoers, in an effort to demonstrate the negative consequences of wrongdoing. They may also target the individual wrongdoer in an attempt to show the unprofitability of repeated wrongdoing. The first is general deterrence; the second is specific or individual deterrence: see C. C. Ruby, Sentencing (5th ed. 1999). In both cases deterrence is prospective in orientation and aims at preventing future conduct.
>
> *Cartaway Resources Corp. (Re)*, *supra* at para. 52, SBA, Tab 22. For a more general discussion, see paragraphs 52-62.

¶ 29 The panel finds that the proposed penalty will ensure deterrence to both the Respondent and to the mutual fund industry.

Previous Decisions Made in Similar Circumstances

¶ 30 The proposed penalties are consistent with the penalties imposed by hearing panels in previous cases as reflected in the comparable cases cited in the chart below:

CASE	TOTAL FORMS	MISCONDUCT	PENALTIES	OTHER FACTORS
Lindhout (Re), [2022] Hearing Panel of the Central Regional Council, MFDA File No. 202212, Hearing Panel Decision dated May 25, 2022	46	• 23 photocopied signature pages • 17 altered • 6 pre-signed	Settlement • $30,000 fine; and • Costs of $5000	• Member imposed disciplinary letter, close supervision of 6 months for which he paid $5,200 and completion of industry course

Laskey (Re), [2022] Hearing Panel of the Central Regional Council, MFDA File No. 202237, Hearing Panel Reasons for Decision dated November 24, 2022	56	• 5 photocopied and reused previously signed forms • 36 pre-signed • 15 altered	Settlement • $28,000 fine • $2,500 cost • CSI or IFIC BM course prior to acting as BM again Prohibited from acting as BM for 18 months	• Disciplinary letter from Member, close supervision for 6 months with a fee of $2,400 and required the Respondent to review the signature falsification MFDA notice and Member policies and procedures
Luciano (Re), [2023] Hearing Panel of the New SRO's Ontario District, MFDA File No. 202267, no decision released yet, news release posted June 6, 2023 and Order granted April 19, 2023	13	• 8 cut and pasted forms • 2 altered • 3 pre-signed	Uncontested • $25,000 fine • $7,500 costs • 1 year suspension	• Member terminated the Respondent
Harry (Re), [2020] Hearing Panel of the central Regional Council, MFDA File No. 202035, Hearing Panel Decision and Reasons dated January 11, 2021	34	• 2 cut and pasted signatures from other forms • 14 pre-signed • 18 altered	Uncontested • $16,000 fine and • $5,000 costs	• Member terminated the Respondent
Truong (Re), [2019] Hearing Panel of the Pacific Regional Council, MFDA Hearing No. 201904, Hearing Panel Reasons for Decision dated June 10, 2019	4	• 4 falsified signatures	Settlement • 6 month Suspension • Fine of $5,000 • Costs of $2,500	• Termination by Member • Respondent inability to pay

Conclusion

¶ 31 The panel finds that having regard to the nature of the misconduct at issue in this proceeding, and the application of the legal principles and factors described above, the penalties proposed in the Settlement Agreement are reasonable and proportionate and we accept it.

Dated at Vancouver this 19 day of January 2024

"Michael Carroll"

Michael Carroll K.C., Chair

"Nova Aitchison"

Nova Aitchison, Industry Representative

"Darlene Barker"

Darlene Barker, Industry Representative

Settlement Agreement

File No. 202322

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Mei-Hui Bobb

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 Pacific District Committee (the "Hearing Panel") of CIRO should accept the settlement agreement (the "Settlement Agreement") entered into between Staff of CIRO ("Staff") and Mei-Hui Bobb (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:[3]

a) Between November 2020 and April 2021, the Respondent photocopied signature pages from account forms that had previously been signed by clients and re-used the signature pages to complete seven additional account forms in respect of five clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1);

b) Between May 2019 and March 2021, the Respondent altered and used to process transactions 18 account forms in respect of 15 clients by altering information on the account forms without having the client initial the alterations, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1); and

c) Between November 2020 and September 2021, the Respondent obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of six clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

III. TERMS OF SETTLEMENT

[3] At the time of the conduct addressed in this proceeding, MFDA Rule 2.1.1 was in effect and is now incorporated into Mutual Fund Dealer Rule 2.1.1 referred to in this proceeding.

¶ 5 Staff and the Respondent agree and consent to the following terms of settlement:

a) The Respondent shall be suspended from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer for a period of two months commencing on the third business day after the acceptance of this Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.1(c);

b) The Respondent shall pay a fine in the amount of $28,000 ("Fine"), pursuant to Mutual Fund Dealer Rule 7.4.1.1

c) The Respondent shall pay costs in the amount of $5,000 ("Costs"), pursuant to Mutual Fund Dealer Rule 7.4.2;

d) The payment by the Respondent of the Fine and Costs shall be made to and received by CIRO in certified funds, payable in instalments as follows:

i. $5,000 (costs) and $5,600 (fine) payable on the date that this Settlement Agreement is accepted by a Hearing Panel;

ii. $5,600 (fine) on or before the last business day of the first month following the acceptance of the Settlement Agreement;

iii. $5,600 (fine) on or before the last business day of the second month following the acceptance of the Settlement Agreement;

iv. $5,600 (fine) on or before the last business day of the third month following the Settlement Agreement;

v. $5,600 (fine) on or before the last business day of the fourth month following the Settlement Agreement; and

e) If the Respondent fails to make any of the payments of the Fine or Costs as they become due, then any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to CIRO;

f) The Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1); and

g) The Respondent shall 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 this Settlement Agreement herein and consent to the making of an Order in the form attached as Schedule "A".

IV. AGREED FACTS

Registration History

¶ 7 Since January 22, 2018, the Respondent has been registered in British Columbia as a dealing representative with the PFSL Investments Canada Ltd. (the "Dealer Member") (formerly a Member of the MFDA).

¶ 8 At all material times, the Respondent conducted business in the Surrey, British Columbia area.

Photocopy and Re-Use of Client Signature Pages on Account Forms

¶ 9 At all material times, the Dealer Member's policies and procedures prohibited "photocopying of previously submitted client signature forms to be used as new forms".

¶ 10 Between November 2020 and April 2021, the Respondent photocopied signature pages from account forms that had been previously signed by five clients and re-used the photocopied signature pages to facilitate the completion and processing of seven additional account forms in respect of those five clients.

¶ 11 The photocopied and re-used account forms consisted of:

a) two New Account Application Forms ("NAAF");

b) three Liquidity Consideration/Sales Charge Acknowledgment forms;

c) one Subsequent Contribution form; and

d) one Application for Tax Free Savings Account.

¶ 12 The Respondent submitted all of the account forms to the Dealer Member for processing.

Altered Account Forms

¶ 13 At all material times, the Dealer Member's policies and procedures required that: *"...any/all alterations made to a duly completed form or application must contain the clients' initials or signatures. To further clarify, each and every alteration made on a form or application must be supported by a client signature or initials."*

¶ 14 Between May 2019 and March 2021, the Respondent altered and used to process transactions, 18 account forms in respect of 15 clients by altering information on the account forms without having the clients initial the alterations. The Respondent submitted all of the altered account forms to the Dealer Member for processing.

¶ 15 The altered account forms consisted of:

a) 9 NAAF forms;

b) one Know-Your-Client ("KYC") form;

c) one exchange request form;

d) two direct deposit request forms;

e) two application for tax free savings account forms;

f) one application for a McKenzie Disability Savings Plan; and

g) two application forms.

¶ 16 The alterations that the Respondent made to the forms include: investor knowledge; client income; investment amounts; fund names, numbers and codes; account numbers and types; social insurance numbers; and dates.

Pre-signed Account Forms

¶ 17 At all material times, the Dealer Member's policies and procedures prohibited the use of: "Blank or partially completed PFSL forms or applications pre-signed by clients, even if requested by a client".

¶ 18 Between November 2020 and September 2021, the Respondent obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of six clients.

¶ 19 The pre-signed account forms consisted of:

a) two NAAF forms;

b) one KYC form;

c) four Transfer for Investments between Financial Institution forms;

d) four Transfer Authorization for Registered Investments forms;

e) one Application for a Tax Free Savings Account forms;

f) one Liquidity Considerations/Sales Charge Acknowledgment form;

g) three Subsequent Contribution forms; and

h) one Exchange request form.

The Dealer Member's Investigation

¶ 20 In or about March 2020, Staff conducted a sales compliance review of the branch location at which the Respondent operated. Subsequently, Staff discovered some of the account forms which are described in this Settlement Agreement. Staff informed the Dealer Member of the discovery of the account forms. The Dealer Member commenced an investigation, which included conducting a full review of the client files maintained by the Respondent, at which time it discovered the remaining account forms described above.

¶ 21 The Dealer Member sent a letter to all affected clients along with a copies of the client's account transaction histories and the client's most recent KYC information. The Dealer Member requested that the clients advise the Member if there were any inconsistencies in their account information. No clients contacted the Dealer Member with any concerns.

¶ 22 On September 1, 2022, as a result of its findings during its investigation, the Dealer Member issued the Respondent a letter of reprimand and required the Respondent to complete a 2-day training course relating to, among other things, record keeping and deficient account forms. The Dealer Member has also implemented a remediation plan which required the Respondent to meet with clients whose accounts the Respondent serviced to review their KYC information while monitored by her branch manager. The Dealer Member conducted a further review of transactions in client accounts serviced by the Respondent for the period of December 1, 2022 to June 26, 2023, and reported to Staff that it did not identify any concerns.

¶ 23 The Dealer Member also required that the Respondent successfully complete the Ethics and Professional Conduct Course offered by IFSE, the educational arm of the Investment Funds Institute of Canada within 6 months of issuing the letter of reprimand described above. The Respondent successfully completed the course on January 4, 2023.

Additional Factors

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

¶ 25 There is no evidence of client financial losses or lack of authorization for the underlying transactions, and no clients have complained to Staff or the Dealer Member.

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

¶ 27 By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources and expenses associated with conducting a contested hearing of 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.mfda.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 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, 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, including the attached Schedule "A", 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 13th day of February, 2023.

"Mei-Hui Bobb"

Mei-Hui Bobb

"Charles Toth"

Per: Charles Toth

Canadian Investment Regulatory Organization, Vice-President, Enforcement (Mutual Fund Dealers)

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Mei-Hui Bobb

ORDER

WHEREAS the Respondent entered into a settlement agreement with Staff of CIRO 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 Mutual Fund Dealer Rules 7.3 and 7.4.1;

AND WHEREAS based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

a) Between November 2020 and April 2021, the Respondent photocopied signature pages from account forms that had previously been signed by clients and re-used the signature pages to complete seven additional account forms in respect of five clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1);

b) Between May 2019 and March 2021, the Respondent altered and used to process transactions 18 account forms in respect of 15 clients by altering information on the account forms without having the client initial the alterations, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1); and

c) Between November 2020 and September 2021, the Respondent obtained, possessed and used to process transactions, 17 pre-signed account forms in respect of six clients, contrary to Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1).

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

¶ 1 The Respondent shall be suspended from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer for a period of two months commencing on the third business day after the acceptance of this Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.1(c);

¶ 2 The Respondent shall pay a fine in the amount of $28,000 ("Fine"), pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);

¶ 3 The Respondent shall pay costs in the amount of $5,000 ("Costs"), pursuant to Mutual Fund Dealer Rule 7.4.2;

¶ 4 The payment by the Respondent of the Fine and Costs shall be made to and received by CIRO in certified funds, which shall be payable in instalments as follows:

a) $5,000 (costs) and $5,600 (fine) payable on the date that this Settlement Agreement is accepted by a Hearing Panel;

b) $5,600 (fine) on or before [date];

c) $5,600 (fine) on or before [date];

d) $5,600 (fine) on or before [date]; and

e) $5,600 (fine) on or before [date].

¶ 5 If the Respondent fails to make any of the payments of the Fine or Costs as they become due, then any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to CIRO;

¶ 6 The Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1 (formerly MFDA Rule 2.1.1);

¶ 7 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 personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

DATED this [day] day of [month], 202[ ].

Name,

Chair

Name,

Industry Representative

Name,

Industry Representative