

IN THE MATTER OF:

**THE RULES OF THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA**

AND

MARNI GAY HARVEY

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Investment Industry Regulatory Organization of Canada (“IIROC”) will issue a Notice of Application to announce that it will hold a settlement hearing to consider whether, pursuant to Section 8215 of the Consolidated Enforcement, Examination and Approval Rules of IIROC, a hearing panel (“Hearing Panel”) should accept the settlement agreement (“Settlement Agreement”) entered into between the staff of IIROC (“Staff”) and Marni Harvey (“Respondent”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff and the Respondent jointly recommend that the Hearing Panel accept this Settlement Agreement in accordance with the terms and conditions set out below.

PART III – AGREED FACTS

3. For the purposes of this Settlement Agreement, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

Overview

4. The Respondent was part of a team responsible for thousands of client account forms that were improperly executed. The forms in question were signed by clients but were either blank or missing key information (“Pre-Signed Forms”). The Respondent personally signed 503 of these forms.

Registration History

5. The conduct occurred while the Respondent was a Registered Representative with Scotia Capital Inc. (“Scotia Capital”), from January 2012 to March 2021. She is currently working at Wellington-Altus Private Wealth Inc. as a Registered Representative, under strict supervision.
6. In January 2022, after the conduct in question took place, the Respondent successfully rewrote the Conduct and Practices Handbook exam.

Background

7. While at Scotia Capital the Respondent was part of the Hunter Financial Group (the “Hunter Group”), a financial team within Scotia Capital, operating out of the Saskatoon branch. By February 2021, the group consisted of three Investment Advisors and four associates. Bart Hunter was the lead advisor for the group, however, they took a team approach to servicing their approximately 869 clients. When the Respondent first arrived

at Scotia Capital in 2012 her role was more sales oriented, but by 2019 her role had evolved, and the Respondent had her own IA code.

8. In February 2021, Scotia Capital received information that the Hunter Group had been using Pre-Signed forms. As a result, the firm had people attend the branch to obtain any such documents. Approximately 3000 Pre-Signed forms pertaining to Hunter Group clients were collected.
9. Most of the Pre-Signed forms were not dated. The documents were comprised of several different types of forms, including:
 - a) Client Account Information Change Forms, missing risk tolerances and investment objectives;
 - b) Accredited Investor Certification forms, missing information specifying how clients met the accredited investor qualification criteria;
 - c) Transfer Authorization Forms, missing the relinquishing institution name and/or client instructions; and
 - d) Pre-authorized Contribution and/or Withdrawal Forms, missing the authorization instructions (bank information, account number, frequency, and dollar amount).
10. The Respondent personally signed approximately 503 of these Pre-Signed forms. This includes:
 - a) Approximately 481 Account Information Change Forms (MKYCs) missing risk tolerances and investment objectives; and

- b) Approximately 22 accredited investor forms missing information specifying how clients met the accredited investor qualification criteria.

Storage & Use of Pre-Signed Forms

- 11. The forms that were seized from the Hunter Group were being stored for later use, at which time the pertinent information could be entered. The forms were stored in banker boxes which were kept in an empty cubicle.
- 12. The Hunter Group had been using Pre-Signed forms throughout previous years. As such, a number of other Pre-Signed forms had already been inputted into Scotia Capital's system.

PART IV – CONTRAVENTIONS

- 13. By engaging in the conduct described above, the Respondent committed the following contraventions of IIROC's Rules:
 - a) Between January 2012 and February 2021, the Respondent failed in her obligations regarding the proper execution of client documents, resulting in the collection, possession, and use of Pre-Signed client forms, contrary to IIROC Rule 1400.

PART V – TERMS OF SETTLEMENT

- 14. The Respondent agrees to the following sanctions and costs:
 - a) A fine in the amount of \$50,000; and
 - b) Costs to IIROC in the amount of \$5,000.

15. If this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees to pay the amounts referred to above within 30 days of such acceptance unless otherwise agreed between Staff and the Respondent.

PART VI – STAFF COMMITMENT

16. If the Hearing Panel accepts this Settlement Agreement, Staff will not initiate any further action against the Respondent in relation to the facts set out in Part III and the contraventions in Part IV of this Settlement Agreement, subject to the provisions of the paragraph below.
17. If the Hearing Panel accepts this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Rule 8200 against the Respondent. These proceedings may be based on, but are not limited to, the facts set out Part III of this Settlement Agreement.

PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

18. This Settlement Agreement is conditional on acceptance by the Hearing Panel.
19. This Settlement Agreement shall be presented to a Hearing Panel at a settlement hearing in accordance with the procedures described in Sections 8215 and 8428, in addition to any other procedures that may be agreed upon between the parties.
20. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing, unless the parties agree that additional facts should be submitted at the settlement hearing. If the Respondent does not appear at the settlement hearing, Staff may disclose additional relevant facts, if requested by the Hearing Panel.

21. If the Hearing Panel accepts the Settlement Agreement, the Respondent agrees to waive all rights under the IIROC Rules and any applicable legislation to any further hearing, appeal and review.
22. If the Hearing Panel rejects the Settlement Agreement, Staff and the Respondent may enter into another settlement agreement or Staff may proceed to a disciplinary hearing based on the same or related allegations.
23. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.
24. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel and IIROC will post a full of copy of this Settlement Agreement on the IIROC website. IIROC will also publish a summary of the facts, contraventions, and the sanctions agreed upon in this Settlement Agreement.
25. If this Settlement Agreement is accepted, the Respondent agrees that neither she nor anyone on her behalf, will make a public statement inconsistent with this Settlement Agreement.
26. The Settlement Agreement is effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel.

PART VIII – EXECUTION OF SETTLEMENT AGREEMENT

27. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.

28. A fax or electronic copy of any signature will be treated as an original signature.

DATED this 16 day of November, 2022.

“Witness”

Witness

“Marni Gay Harvey”

Marni Gay Harvey

“Witness”

Witness

“Tayen Godfrey”

Tayen Godfrey

Enforcement Counsel on behalf of
Enforcement Staff of the Investment
Industry Regulatory Organization of
Canada

The Settlement Agreement is hereby accepted this 5 day of December, 2022 by the following
Hearing Panel:

Per: “Dan Ish”

Panel Chair

Per: “Eric Wray”

Panel Member

Per: “Claude Tetrault”

Panel Member