



## NEWS RELEASE

*For immediate release*

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### **MFDA Hearing Panel accepts Settlement Agreement with Zenon Smiechowski**

**December 17, 2010** (Toronto, Ontario) – A settlement hearing in the matter of Zenon Smiechowski was held yesterday in Vancouver, British Columbia before a Hearing Panel of the MFDA's Pacific Regional Council. The Hearing Panel accepted the Settlement Agreement between Mr. Smiechowski and MFDA Staff, as a consequence of which Mr. Smiechowski:

- has been suspended from acting as a mutual fund salesperson for 6 months;
- has paid a fine in the amount of \$10,000; and
- has paid costs in the amount of \$5,000.

In the Settlement Agreement, Mr. Smiechowski admitted that:

(a) between July 23, 2004 and October 27, 2006, he engaged in personal financial dealings with client FP by borrowing \$25,000 from client FP, thereby giving rise to an actual or potential conflict of interest between himself and client FP which he failed to address by the exercise of responsible business judgment influenced only by the best interests of the client, contrary to MFDA Rules 2.1.4 and 2.1.1;

(b) between July 23, 2004 and at least October 27, 2006, he failed to disclose to Sun Life Financial Investment Services (Canada) Inc./Clarica Investco Inc. that he had engaged in personal financial dealings with client FP, thereby failing to comply with the Member's policies and procedures and interfering with the ability of the Member to supervise the Respondent and comply with its obligations under MFDA Rule 2.1.4, contrary to MFDA Rules 1.1.2 and 2.5.1, and MFDA Rule 2.1.1;

(c) between October 13, 2007 and January 29, 2008, he failed to disclose to Hub Capital Inc. that he was the defendant in a civil claim that had been commenced against him by client FP in the British Columbia Supreme Court regarding activities that occurred while he was an approved person at another Member (contrary to sections 4.1(c) and (e) of MFDA Policy No. 6, MFDA Rules 1.25(b) and 2.1.1, and the Member's policies and procedures), thereby interfering with Hub Capital Inc.'s ability to supervise him and comply with its obligations under MFDA Rule 2.1.4, contrary to MFDA Rules 1.1.2 and 2.5.1; and

(d) between June 2005 and June 2009, he failed to repay \$25,000 in principal plus interest owing to former client FP under the terms of a promissory note, thereby engaging in conduct unbecoming an Approved Person and detrimental to the public interest, contrary to MFDA Rule 2.1.1.

The Hearing Panel will issue written reasons for its decisions in due course. A copy of the [Settlement Agreement](#) is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 136 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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