

# ALBERTA SECURITIES COMMISSION

**Citation: Re Dalla-Longa, 2019 ABASC 175**

**Docket: ENF-011872**

**Date: 20191115**

## SETTLEMENT AGREEMENT AND UNDERTAKING

Sherry Jean Dalla-Longa (**Dalla-Longa**)

### Regulatory Message

The registration requirement is a core element of the Alberta securities regulatory regime. Registration of advisors serves an important gate-keeping function, whereby investors only receive advice on securities from those who meet education, conduct, and financial standards and who are subject to oversight and compliance requirements. Section 75(1)(b) of the *Securities Act*, R.S.A. 2000, c. S-4, as amended, (the *Act*) prohibits a person or company from acting as an advisor when not registered to do so.

National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) regulates registration requirements. It introduced uniform and harmonized rules relating to categories of registration and related proficiency, and other requirements. Exemptions from the registration requirement can be found in NI 31-103.

Registration protects investors and enhances capital market integrity and efficiency by providing ongoing oversight and compliance obligations. A breach of the registration requirement exposes the investing public to unanticipated risks and potential financial harm, which may jeopardize confidence in the capital market.

### Agreed Facts

#### *Introduction*

1. Staff of the Alberta Securities Commission (**Staff** and **Commission**, respectively) conducted an investigation into Sherry Jean Dalla-Longa (**Dalla-Longa**) to determine if Alberta securities laws had been breached.
2. The investigation confirmed, and Dalla-Longa admits that she breached those sections of the *Act*, referred to in this Settlement Agreement and Undertaking (**Agreement**), and that she acted contrary to the public interest.
3. Solely for securities regulatory purposes in Alberta and elsewhere, and as the basis for the settlement and undertakings referred to in paragraph 13 and for no other use or purpose, Dalla-Longa agrees to the facts and consequences set out in this Agreement.

4. Terms used in this Agreement have the same meaning as provided in the Alberta securities laws, a defined term in the *Act*.

*Parties*

5. Dalla-Longa is an individual who resided in Medicine Hat, Alberta throughout the relevant period, being approximately January 2017 to March 2018 (**Relevant Period**). During the Relevant Period, Dalla-Longa provided investment advice to, purchased, and sold securities for at least 10 clients. In carrying out these services, Dalla-Longa purported to operate under Dalla-Longa Wealth Management, an active trade name she registered in Alberta on November 5, 2012.

*Circumstances*

6. Dalla-Longa worked in the investment industry for approximately 30 years, most recently as an investment adviser. She was registered with the Commission as a Registered Representative prior to the Relevant Period.
7. On approximately December 31, 2016, Dalla-Longa's registration as a Registered Representative in Alberta was suspended because the Investment Dealer she was working for terminated her employment. Subsequently, she was not registered in any capacity in accordance with Alberta securities laws or the securities laws of any other jurisdiction in Canada.
8. Despite her lack of registration and pending retirement plans, Dalla-Longa carried on with her activities in much the same way as she had prior to December 31, 2016. Specifically, during the Relevant Period Dalla-Longa:
  - 8.1 Associated herself generally with another registered Investment Dealer;
  - 8.2 Held herself out to be a financial adviser capable of providing securities trading advice and dealing, for example by promoting these activities as services of Dalla Longa Wealth Management (the trade name Dalla-Longa operated under);
  - 8.3 Solicited her former clients to transfer their investment accounts to a different investment dealer when Dalla-Longa herself moved to that different investment dealer;
  - 8.4 Provided specific and customized investment advice to, and purchased and sold securities for, her clients;
  - 8.5 Failed to tell clients, many of whom she had advised for several years and even decades, that her registration as a Registered Representative in Alberta had been terminated and that she was therefore unable to continue acting as their adviser; and
  - 8.6 Represented in writing to at least some of her clients that she was their financial adviser.
9. None of the exemptions in Part 8 of National Instrument 31-103, *Registrant Requirements, Exemptions and Ongoing Registrant Obligations*, applied to Dalla-Longa and her activities described above.

### **Admitted Breaches of Alberta securities laws (Admitted Breaches)**

10. Based on the Agreed Facts, the Dalla-Longa admits she breached section 75(1)(b) of the *Act* by acting as an adviser without being registered in accordance with Alberta securities laws.

### **Circumstances Relevant to Settlement**

11. Dalla-Longa has not been previously sanctioned by the Commission.
12. This Agreement has saved the Commission the time and expense associated with a contested hearing under the *Act*.

### **Settlement and Undertakings**

13. Based on the Agreed Facts and Admitted Breaches, Dalla-Longa agrees and undertakes to the Executive Director of the Commission to:
  - 13.1 Pay to the Commission a monetary settlement of \$15,000, plus \$10,000 in costs;
  - 13.2 Be prohibited for a period of 10 years from:
    - 13.2.1 trading in or purchasing securities or derivatives; with the exception that she may trade or purchase in her personal account(s);
    - 13.2.2 using any exemptions contained in Alberta securities laws;
    - 13.2.3 becoming or acting as a director or officer of any issuer;
    - 13.2.4 advising in securities or derivatives;
    - 13.2.5 becoming or acting as a registrant, investment fund manager or promoter;
    - 13.2.6 acting in a management or consultative capacity in connection with activities in the securities market; and
  - 13.3 Arrange to have the trade name Dalla-Longa Wealth Management removed from the active Alberta Corporate Registry System within 30 days of executing this Agreement.

### **Administration**

14. Dalla-Longa acknowledges that she received independent legal advice and has voluntarily made the admissions and undertakings in this Agreement.
15. Dalla-Longa waives any right existing under the *Act*, or otherwise, to a hearing, review, judicial review or appeal of this matter.
16. Dalla-Longa acknowledges and agrees that the Commission may enforce this Agreement in the Court of Queen's Bench or in any other court of competent jurisdiction.
17. Dalla-Longa understands and acknowledges that this Agreement may form the basis for securities-related orders in other jurisdictions in Canada. The securities laws of some other

Canadian jurisdictions may allow for provisions of a settlement agreement made in this matter to be given parallel effect in those other jurisdictions automatically, without further notice to her. Dalla-Longa understands and acknowledges that she should contact the securities regulator of any other jurisdiction in which she may intend to engage in any securities related activities.

18. Execution and fulfillment of the terms of this Agreement by Dalla-Longa resolves all issues involving Dalla-Longa relating to the conduct described above, and Staff will take no further steps against her arising from these facts.
19. This Agreement may be executed in counterpart.

Signed by Sherry Jean Dalla-Longa at )  
 Medicine Hat, Alberta this 30 day of )  
 October, 2019, in the presence of: )

\_\_\_\_\_)  
WITNESS NAME )  
WITNESS NAME )

\_\_\_\_\_)  
"Original signed by" )  
 SIGNATURE )

\_\_\_\_\_)  
"Original signed by" )  
 Sherry Jean Dalla-Longa )

) ALBERTA SECURITIES COMMISSION  
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Calgary, Alberta, 15 November 2019 )

)  
"Original signed by" )  
 ) David C. Linder, Q.C.  
 ) Executive Director