Re Janmohamed

IN THE MATTER OF:

The Rules of the Investment Industry Regulatory Organization of Canada (IIROC)

and

Nadir Janmohamed

2016 IIROC 45

Investment Industry Regulatory Organization of Canada
Hearing Panel (Ontario District)

Heard: November 3, 2016 at the City of Toronto
Oral Decision: November 3, 2016
Written Decision: November 17, 2016

Hearing Panel:
Fred Chenoweth, Chair, Selwyn Kossuth and Shaine Pollock
Appearances:
Kathryn Andrews, Senior Enforcement Counsel of the Investment Industry Regulatory Organization of Canada
Kate McGrann, Barrister and Solicitor, for the Respondent
The Respondent was personally in attendance

REASONS AND DECISION

Introduction

¶ 1 A Hearing Panel of the Investment Industry Regulatory Organization of Canada ("IIROC") was convened on November 3rd, 2016 in accordance with Section 8428 and Section 8125 of the Consolidated Enforcement, Examination and Approval Rules of IIROC, to review a Settlement Agreement ("Settlement Agreement") dated October 24th, 2016 negotiated between the Enforcement Department of IIROC ("Staff") and Nadir Janmohamed ("Respondent").

¶ 2 The Settlement Agreement was submitted to the Hearing Panel for its acceptance or rejection. After considering the material filed and the oral submissions of Staff and Counsel for the Respondent, the Panel unanimously accepted the Settlement Agreement and issued an order accordingly. These are the Panel's reasons for doing so.

The Allegations

¶ 3 In the Settlement Agreement, the Respondent admits the following contraventions of IIROC Rules:

(a) Between January 2009 and December 2012, the Respondent failed to use due diligence to ensure that the acceptance of orders for clients' accounts were within the bounds of good business practice, contrary to IIROC Dealer Member Rule 1300.1(o).

(b) Between January 2009 and December 2012, the Respondent conducted discretionary trades in

the accounts of three clients, without those accounts having been accepted and approved as discretionary accounts, contrary to IIROC Dealer Member Rule 1300.4.

(c) Between January 2009 and December 2012, the Respondent failed to use due diligence to learn and remain informed of the essential facts relative to one client, contrary to IIROC Dealer Member Rule 1300.1(a).

Statement of Facts

¶ 4 Staff and the Respondent agreed with the facts set out in the Settlement Agreement and acknowledged that the terms of the settlement contained in the Settlement Agreement were based upon those specific facts.

Overview

¶ 5 The Respondent was employed by BMO Nesbitt Burns. Between January 2009 and December 2012 (the "Relevant Time Period"), the Respondent:

(a) Failed to know his client BG;

(b) Solicited buys and sells of mutual funds on a deferred sale charge ("DSC") basis to the detriment of four clients, BG, SD, GG and RZ (the "Clients"); and

(c) Engaged in discretionary trading in three of the Clients' accounts.

¶ 6 Mutual funds purchased on a DSC basis are generally considered to be long term investments and are usually subject to a declining scale of redemption fees. The high turnover of mutual funds purchased in this manner was not consistent with the Clients' best interest. In addition, the Clients were not aware of how certain fees were charged by the Respondent and were not aware that certain purchases made were "locked in" for several years. Three of the Clients were not aware of most of the transactions.

¶ 7 The Respondent received commissions from various mutual fund purchase transactions while causing the Clients to incur DSCs as a result of the corresponding sale transactions. In this pattern of selling mutual funds and then repurchasing similar funds, the Respondent generated undue commissions for himself. In addition, the Clients paid unnecessary redemption fees and caused the redemption fee period on the new fund purchasers to re-set.

¶ 8 The Respondent received approximately $22,000 net in commission from this form of trading in the Clients' accounts during the Relevant Time Period.

¶ 9 The Respondent was a Registered Representative ("RR") employed by BMO Nesbitt Burns ("BMO") from July 2007 until April 2013. According to the Respondent, during the Relevant Time Period, his clients included over 110 client households.

¶ 10 The Respondent is not currently registered with IIROC.

Client BG

¶ 11 BG opened an RSP account with the Respondent at BMO in September 2007. BG was born in 1957.

¶ 12 BG's July 24, 2007 Know Your Client ("KYC") Form indicates that his investment objective was growth, and his risk tolerance was moderate to high. BG's actual risk tolerance was low to moderate risk in that he wanted some growth, but also needed secure investments for retirement.

¶ 13 The Respondent did not fully explain what investments he proposed to make for BG. BG did not know that for some investments chosen by the Respondent, he was "locked in" for several years. He was also not aware that the Respondent cashed out some of these locked in investments early and then reinvested the proceeds in other locked in funds.

¶ 14 Other than for a few transactions, the Respondent did not contact BG in advance of trades being made in his account. BG was not aware of certain DSC mutual fund purchases that the Respondent made in his account.

Client SD

¶ 15 In July 2007, SD opened two accounts with the Respondent at BMO – an RSP account and a margin account. SD was born in 1951.

¶ 16 SD did not want to "lock in" his investments for a long period of time as he wished to have funds available for other purposes. Despite SD communicating this requirement to the Respondent, the Respondent invested SD's funds in DSC mutual funds which could not be accessed ("without paying redemption fees") for a term of several years.

¶ 17 While some particulars of certain trades were discussed with SD in advance, the Respondent conducted trades in SD's account without discussing the details of those trades in advance with SD. SD "left it up to him" and trusted the Respondent to do what was best for SD's portfolio.

Client GG

¶ 18 GG was born in 1948. He opened two accounts with the Respondent at BMO in July and August 2007.

¶ 19 Most trades in these accounts were not discussed in advance with GG. Specifically, he did not authorize the purchase of various labour sponsored funds.

¶ 20 GG was also not aware of various DSC mutual fund purchases in his accounts and did not know that some of his investments were locked in for several years.

Client RZ

¶ 21 RZ became a client of the Respondent in 2009. He was born in 1952.

¶ 22 The Respondent did not inform RZ that by taking mutual fund distributions as cash and then buying units of another mutual fund, that the Respondent was starting a new locked in period for the newly purchased units.

¶ 23 The Respondent also did not explain that every time he made a switch within a mutual fund family, the Client was charged a fee. RZ thought that these switches were done at no cost to him.

¶ 24 RZ had advised the Respondent that he would accept a locked in period of two to three years. The Respondent erroneously advised RZ that certain of the investments he recommended were locked in for two to three years. The locked in period for those investments was several years.

Pattern of Activity

¶ 25 The Respondent effected the following trading in the Clients' accounts during the Relevant Time Period.

(a) **Switch fees**

¶ 26 The Respondent often made switches between mutual funds in the Clients' accounts. These switches were carried out within the same family of mutual funds. When this occurred, the Client was charged a switch fee by the Respondent. Three Clients often were not aware of the switches and the Clients were generally not aware of the extent of the switch fees. These transactions were detrimental to the Clients' best interests as the switches resulted in unnecessary fees. These switches could have occurred without charging fees to the Clients.

¶ 27 During the Relevant Time Period, there were 108 switches carried out in the Clients' accounts. Over 74 of the switches occurred in 2009 and 2010, in SD and GG's accounts. Approximately half of the approximately $22,000 in impugned fees and commissions earned by the Respondent were as a result of this trading activity.

(b) **Purchased DSC funds using funds previously invested in DSC funds**

¶ 28 On occasion, the Respondent purchased new DSC mutual funds in the Clients' accounts which would re-set the redemption fee period, in most instances for a new six year time period. The Clients were not aware that these trades re-set the locked in period. The Respondent received commission on these transactions from

the mutual fund companies in the range of 3% to 10% of each purchase.

¶ 29 The Respondent effected 36 transactions during the Relevant Time Period in the Clients' accounts. Almost half of the approximately $22,000 in impugned fees and commissions earned by the Respondent were as a result of this trading activity.

(c) **Redemption fees incurred for selling a fund prior to expiry of the locked in period.**

¶ 30 The Clients paid a fee to the mutual fund company when the Respondent sold various mutual funds from their accounts before the redemption fee period had expired. The amount of the fee depended on how early the fund was redeemed.

¶ 31 These 35 transactions resulted in redemption fees of approximately $3,900 being paid by the Clients to the mutual fund companies during the Relevant Time Period, with the bulk of these fees coming from Clients BG, GG and RZ.

(d) **Use of Distributions to purchase another fund**

¶ 32 The Respondent also purchased various mutual funds for the Clients then used the distributions received to purchase either the same or a different mutual fund. The Respondent received commission from the mutual fund companies for doing so; however, these distributions could have been automatically re-invested, without commission being paid to the Respondent.

¶ 33 The Respondent effected 78 transactions and received approximately $1,668 in net commission from the mutual fund companies as a result of this use of distributions during the Relevant Time Period. The majority of this activity occurred in Clients SD and GG's accounts.

Transactions not good business practice

¶ 34 The above transactions were outside the bounds of good business practice given the following factors:

(a) The Respondent often switched client assets between funds and charged the Clients a fee for each switch;

(b) The Respondent purchased funds that provided a monthly cash distribution and then sometimes used the distributions to purchase new units in the same mutual fund that issued the distribution;

(c) The Respondent sold units of certain DSC mutual funds that incurred a redemption fee and used the proceeds to purchase other DSC mutual funds, which resulted in commission paid to the Respondent; and

(d) The purchases of most of the funds on a DSC basis were effected without three of the Clients' knowledge or consent.

Joint Settlement Recommendation

¶ 35 Staff and the Respondent agreed to the following sanctions and costs:

(a) A fine in the amount of $25,000;

(b) Disgorgement of commission in the amount of $22,000;

(c) To rewrite the CPH within one year of any re-registration with IIROC;

(d) Six months close supervision upon any re-registration with IIROC; and

(e) Costs of $3,000.

Mitigating Factors

¶ 36 It was submitted by Senior Enforcement Counsel and Counsel for the Respondent that the Hearing Panel should take into consideration the following mitigating factors:

(a) The Respondent does not have a previous disciplinary history;

(b) The Respondent has expressed remorse for his actions; and

(c) The Respondent successfully completed the Investment Funds Institution of Canada Ethics for Exempt Market Dealer Representatives and Exempt Market Proficiency Courses in May 2016 and August 2016, respectively.

Terms of Settlement

¶ 37 The Panel noted that the Settlement Agreement set out certain terms of settlement to which the parties had agreed:

(a) This Settlement Agreement is conditional on acceptance by the Hearing Panel.

(b) This Settlement 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;

(c) 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;

(d) 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;

(e) 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;

(f) The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel;

(g) 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;

(h) If this Settlement Agreement is accepted, the Respondent agrees that neither he nor anyone on his behalf, will make a public statement inconsistent with this Settlement Agreement;

(i) The Settlement Agreement is effective and binding upon the Respondent and the Staff as of the date of its acceptance by the Hearing Panel.

Discussion

¶ 38 In coming to its conclusion, the Panel considered the evidence before it including the facts set out above, the submissions of both Staff and the Respondent and the law to which it was referred. In addition, the Panel considered the IIROC Sanction Guidelines and in particular, the assertion of the sanction guidelines that "the primary purpose of IIROC disciplinary proceedings is to maintain high standards of conduct in the securities industry and to protect market integrity".

¶ 39 The Panel considered the case of *Re Milewski* [1999] I.D.A.C.D. No. 17, Bulletin No. 2605, August 5th, 1999. *Re Milewski* stands for the proposition that:

> "Although a settlement agreement must be accepted by a District Counsel before it can become effective, the standards for acceptance are not identical to those applied by a

> District Counsel when making a penalty determination after a contested hearing. … A District Counsel considering a settlement agreement will tend not to alter a penalty that is considered 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. Put another way, the District Counsel will reflect public interest benefits of the settlement process in its consideration of specific settlements. …A penalty under a settlement agreement is likely to be at the low end of the spectrum in view of the fact that a settlement is negotiated, permits the Association Staff to avoid the cost of a contested hearing and guarantees them a favourable result."

¶ 40 The Panel was also guided by the decision in Re Clark [1999] I.D.A.C.D. No. 40, Bulletin No. 2674, December 14th, 1999, which concluded that:

> "In considering a settlement under By-Law 20.26, the Panel should not simply substitute its discretion for that of staff when negotiating the settlement. The Panel must be cognizant of the importance of the settlement process and should not interfere lightly in a negotiated settlement."

¶ 41 In coming to its conclusion, the Panel considered that the number of infractions to which the Respondent had admitted was substantial and continued over a four year period. The Panel however, was persuaded by the remarks of Respondent's counsel, that confirmed that the Respondent was a registered representative of BMO Nesbitt Burns from July 2007 to April 2013, and that during that period of time, his clients included over 110 client households and that his infractions were not pervasive but affected only four clients. Additionally, the Panel considered that the net offending commissions received over a four year period by the Respondent were in an amount of approximately $22,000 which was not seen as a substantial figure that would likely attract greater sanctions. The Panel therefore concluded that the penalty did not clearly fall outside a reasonable range of appropriateness.

RESULT

¶ 42 Accordingly, for all the above reasons, the Hearing Panel, agreed to accept the Settlement Agreement herein.

Dated at Toronto, Ontario, this 17th day of November, 2016.

Fred Chenoweth

Selwyn Kossuth

Shaine Pollock

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 Nadir Janmohamed ("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 employed by BMO Nesbitt Burns. Between January 2009 and December 2012 (the "Relevant Time Period"), the Respondent:

   (a) failed to know his client BG;

   (b) solicited buys and sells of mutual funds on a deferred sale charge ("DSC") basis to the detriment of four clients BG, SD, GG and RZ (the "Clients"); and

   (c) engaged in discretionary trading in three of the Clients' accounts.

5. Mutual funds purchased on a DSC basis are generally considered to be long term investments and are usually subject to a declining scale of redemption fees. The high turnover of mutual funds purchased in this manner was not consistent with the Clients' best interest. In addition, the Clients were not aware of how certain fees were charged by the Respondent and were not aware that certain purchases made were "locked in" for several years. Three of the Clients were not aware of most of the transactions.

6. The Respondent received commissions from various mutual fund purchase transactions while causing the Clients to incur DSCs as a result of the corresponding sale transactions. In this pattern of selling mutual funds and then repurchasing similar funds, the Respondent generated undue commissions for himself. In addition, the Clients paid unnecessary redemption fees and caused the redemption fee period on the new fund purchases to re-set.

7. The Respondent received approximately $22,000 net in commission from this form of trading in the Clients' accounts during the Relevant Time Period.

Background

8. The Respondent was a Registered Representative ("RR") employed by BMO Nesbitt Burns ("BMO") from July 2007 until April 2013. According to the Respondent, during the Relevant Time Period, his clients included over 110 client households.

9. The Respondent is not currently registered with IIROC.

Client BG

10. BG opened an RSP account with the Respondent at BMO in September 2007. BG was born in 1957.

11. BG's July 24, 2007 Know Your Client ("KYC") Form indicates that his investment objective was growth, and his risk tolerance was moderate to high. BG's actual risk tolerance was low to moderate risk in that he wanted some growth but also needed secure investments for retirement.

12. The Respondent did not fully explain what investments he proposed to make for BG. BG did not know that for some investments chosen by the Respondent, he was "locked in" for several years. He was also not aware that the Respondent cashed out some of these locked in investments early and then reinvested the proceeds in other locked in funds.

13. Other than for a few transactions, the Respondent did not contact BG in advance of trades being made in his account. BG was not aware of certain DSC mutual fund purchases that the Respondent made in his account.

Client SD

14. In July 2007 SD opened two accounts with the Respondent at BMO-an RSP account and a margin

account. SD was born in 1951.

15. SD did not want to "lock in" his investments for a long period of time as he wished to have funds available for other purposes. Despite SD communicating this requirement to the Respondent, the Respondent invested SD's funds in DSC mutual funds which could not be accessed (without paying redemption fees) for a term of several years.

16. While some particulars of certain trades were discussed with SD in advance, the Respondent conducted trades in SD's account without discussing the details of those trades in advance with SD. SD "left it up to him" and trusted the Respondent to do what was best for SD's portfolio.

Client GG

17. GG was born in 1948. He opened two accounts with the Respondent at BMO in July and August 2007.

18. Most trades in these accounts were not discussed in advance with GG. Specifically, he did not authorize the purchase of various labour sponsored funds.

19. GG was also not aware of various DSC mutual fund purchases in his accounts and did not know that some of his investments were locked in for several years.

Client RZ

20. RZ became a client of the Respondent in 2009. He was born in 1952.

21. The Respondent did not inform RZ that by taking mutual fund distributions as cash and then buying units of another mutual fund, that the Respondent was starting a new locked in period for the newly purchased units.

22. The Respondent also did not explain that every time he made a switch within a mutual fund family, the Client was charged a fee. RZ thought that these switches were done at no cost to him.

23. RZ had advised the Respondent that he would accept a locked in period of two to three years. The Respondent erroneously advised RZ that certain of the investments he recommended were locked in for two to three years. The locked in period for those investments was several years.

Pattern of Activity

24. The Respondent effected the following trading in the Clients' accounts during the Relevant Time Period.

(a) Switch fees

25. The Respondent often made switches between mutual funds in the Clients' accounts. These switches were carried out within the same family of mutual funds. When this occurred, the Client was charged a switch fee by the Respondent. Three Clients often were not aware of the switches and the Clients were generally not aware of the extent of the switch fees. These transactions were detrimental to the Clients' best interests as the switches resulted in unnecessary fees. These switches could have occurred without charging fees to the Clients.

26. During the Relevant Time Period, there were 108 switches carried out in the Clients' accounts. Over 74 of the switches occurred in 2009 and 2010, in SD and GG's accounts. Approximately half of the approximately $22,000 in impugned fees and commissions earned by the Respondent were as a result of this trading activity.

(b) Purchased DSC funds using funds previously invested in DSC funds

27. On occasion, the Respondent purchased new DSC mutual funds in the Clients' accounts which would re-set the redemption fee period, in most instances for a new six year time period. The Clients were not aware that these trades re-set the locked in period. The Respondent received commission on these transactions from the mutual fund companies in the range of 3% to 10% of each purchase.

28. The Respondent effected 36 transactions during the Relevant Time Period in the Clients' accounts. Almost half of the approximately $22,000 in impugned fees and commissions earned by the Respondent were as a result of this trading activity.

(c) Redemption fees incurred for selling a fund prior to expiry of the locked in period

29. The Clients paid a fee to the mutual fund company when the Respondent sold various mutual funds from their accounts before the redemption fee period had expired. The amount of the fee depended on how early the fund was redeemed.

30. These 35 transactions resulted in redemption fees of approximately $3,900 being paid by the Clients to the mutual fund companies during the Relevant Time Period, with the bulk of these fees coming from Clients BG, GG and RZ.

(d) Use of Distributions to purchase another fund

31. The Respondent also purchased various mutual funds for the Clients, then used the distributions received to purchase either the same or a different mutual fund. The Respondent received commission from the mutual fund companies for doing so; however, these distributions could have been automatically re-invested, without commission being paid to the Respondent.

32. The Respondent effected 78 transactions and received approximately $1,668 in net commission from the mutual fund companies as a result of this use of distributions during the Relevant Time Period. The majority of this activity occurred in Clients SD and GG's accounts.

Transactions not good business practice

33. The above transactions were outside the bounds of good business practice given the following factors:

    (a) The Respondent often switched client assets between funds and charged the Clients a fee for each switch;

    (b) The Respondent purchased funds that provided a monthly cash distribution and then sometimes used the distributions to purchase new units in the same mutual fund that issued the distribution;

    (c) The Respondent sold units of certain DSC mutual funds that incurred a redemption fee and used the proceeds to purchase other DSC mutual funds, which resulted in commission paid to the Respondent; and

    (d) The purchases of most of the funds on a DSC basis were effected without three of the Clients' knowledge or consent.

Other

34. The Respondent does not have a previous disciplinary history.

35. The Respondent has expressed remorse for his actions.

36. The Respondent successfully completed the Investment Funds Institute of Canada Ethics for Exempt Market Dealer Representatives and Exempt Market Proficiency Courses in May 2016 and August 2016 respectively.

PART IV – CONTRAVENTIONS

37. By engaging in the conduct described above, the Respondent committed the following contraventions of IIROC's Rules:

    (a) Between January 2009 and December 2012, the Respondent failed to use due diligence to ensure that the acceptance of orders for clients' accounts were within the bounds of good business practice, contrary to IIROC Dealer Member Rule 1300.1 (o).

(b) Between January 2009 and December 2012, the Respondent conducted discretionary trades in the accounts of three clients, without those accounts having been accepted and approved as discretionary accounts, contrary to IIROC Dealer Member Rule 1300.4.

(c) Between January 2009 and December 2012, the Respondent failed to use due diligence to learn and remain informed of the essential facts relative to one client, contrary to IIROC Dealer Member Rule 1300.1(a).

PART V – TERMS OF SETTLEMENT

38. The Respondent agrees to the following sanctions and costs:

a) A fine in the amount of $25,000;

b) Disgorgement of commission in the amount of $22,000;

c) To re write the CPH within one year of any re-registration with IIROC;

d) Six months close supervision upon any re-registration with IIROC; and,

e) Costs of $3,000.

39. 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

40. 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 paragraph ~~9~~ "41" below.

41. 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

42. This Settlement Agreement is conditional on acceptance by the Hearing Panel.

43. 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.

44. 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.

45. 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.

46. 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.

47. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.

48. 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.

49. If this Settlement Agreement is accepted, the Respondent agrees that neither he nor anyone on his behalf, will make a public statement inconsistent with this Settlement Agreement.

50. 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

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

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

DATED this "24" day of October, 2016.

"Witness"
Witness

"N Janmohamed"
Respondent

"Witness"
Witness

"Kathryn Andrews"
Kathryn Andrews

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

The Settlement Agreement is hereby accepted this "3rd" day of "November", 2016 by the following Hearing Panel:

Per: "Frederick Chenoweth"
Panel Chair

Per: "Shaine Pollock"
Panel Member

Per: "Selwyn Kossuth"
Panel Member