Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Re: Cho Shan Yeung

Heard: September 14, 2015 in Vancouver, British Columbia
Reasons for Decision: September 28, 2016

REASONS FOR DECISION

Hearing Panel of the Pacific Regional Council:

Stephen D. Gill	Chair
Holly A. Millar	Industry Representative
David B. Webb	Industry Representative

Appearances:

Christopher Corsetti	)	Counsel for the Mutual Fund Dealers Association of Canada
Gordon Johnson	)	Counsel for the Respondent

Introduction

1. The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Cho Shan Yeung ("Respondent") by a Notice of Hearing dated March 13, 2015.

2. The Respondent entered into a settlement agreement with the MFDA, dated September 2, 2015 ("Settlement Agreement") in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to MFDA Rule 2.1.1 and Rule 2.5.5(f). A hearing was held before this Panel on September 14, 2015, and after hearing submissions from counsel for the MFDA, and counsel for the Respondent, we approved the Settlement Agreement and signed an order reflecting that approval. Reasons were to follow, and these are those Reasons.

3. In paragraph IV of the Settlement Agreement, the following agreed facts and contraventions are set forth. The Settlement Agreement is attached hereto as Appendix 'A'.

> **"IV. AGREED FACTS**
>
> **Registration History**
>
> 6. Since December 30, 2002, the Respondent has been registered in British Columbia as a mutual fund salesperson (now known as a mutual fund dealing representative) with PFSL Investments Canada Inc. ("PFSL"), a Member of the MFDA.
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> 7. At all material times, the Respondent has operated out of a PFSL branch location in Richmond, British Columbia (the "Branch").
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> **Pre-Signed Forms**
>
> 8. On February 15, 2013, PFSL compliance staff conducted an unannounced on-site audit of the Branch ("Audit"). During the Audit, PFSL compliance staff found that the

Respondent had obtained and used 75 blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to process transactions in respect of eight clients.

9. Following the Audit, PFSL compliance staff commenced an investigation into the Respondent's use of pre-signed forms. During the investigation, the Respondent disclosed that, in addition to the forms described in paragraph 8 above, he had obtained and used 23 blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to process transactions in respect of one client.

10. As part of its investigation, PFSL compliance staff reviewed all of the client files maintained by the Respondent. During this review, PFSL compliance staff found that the Respondent had further obtained and used three additional blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to process transactions in the accounts of clients noted in paragraphs 8 and 9.

11. Most of the forms described in this Settlement Agreement consisted of trading or Know-Your-Client forms.

12. At all material times, PFSL's policies and procedures prohibited the use of blank or partially completed pre-signed forms.

PFSL's Response

13. As stated above, PFSL compliance staff reviewed, as part of its investigation, all of the client files maintained by the Respondent and did not find any instances where the Respondent had used pre-signed forms, beyond those described in this Settlement Agreement.

14. On April 1, 2013, PFSL sent letters to the nine clients affected by the Respondent's conduct described above, in order to inform the clients of the Respondent's conduct and determine whether the clients had authorized the transactions performed by the Respondent in their accounts. None of the clients reported any concerns to PFSL with respect to transactions conducted in their accounts.

15. On June 18, 2013, PFSL issued a disciplinary letter to the Respondent in respect of her use of blank pre-signed and altered account forms.

Additional

16. No clients serviced by the Respondent have complained about her conduct.

17. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above, beyond the commissions or fees she would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

18. The Respondent has expressed remorse for her actions.

19. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

20. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources and expenses associated with conducting a full hearing of the allegations.

V. CONTRAVENTIONS

21. The Respondent admits that, between March 5, 2005 and March 20, 2012, she obtained and used 101 blank or partially complete pre-signed account forms or

photocopies of partially complete pre-signed account forms, in order to process transactions in respect of nine clients, contrary to MFDA Rule 2.1.1."

4. The Settlement Agreement provides that the Respondent:

a) shall pay a fine in the amount of $2,500;
b) shall pay costs in the amount of $2,500;
c) shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of two years, commencing from the date of the Hearing Panel's Order;
d) the Respondent shall attend the Settlement Hearing in person; and
e) in the future, the Respondent shall comply with all MFDA By-Laws, Rules and Policies and all applicable securities legislation and regulations made thereunder including MFDA Rule 2.1.1.

5. The function of a Hearing Panel at a Settlement Hearing were described by the Panel in the oft quoted case of *Re Milewski*[1]:

> "Although a Settlement Agreement must be must be accepted by a District Council before it can become effective, the standards for acceptance are not identical to those applied by a District Council when making a penalty determination after a contested hearing. In a contested hearing, the District Council attempts to determine the correct penalty. A District Council considering a settlement agreement 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. Put another way, the District Council will reflect the public interest benefits of the settlement process in its consideration of specific settlements." *(Milewski,* page 12)

6. We agree with and adopt the view expressed by the Panel in *Re Sterling Mutuals Inc.*[2]:

[1] *Milewski (Re),* [1999] l.D.A.C.D. No. 17, Ontario District Council Decision July 28, 1999.
[2] Sterling Mutuals Inc. (Re), 2008 LNCMFDA 16

"36 We subscribe to the views expressed by past hearing panels that, in general, settlement agreements should be accepted, bearing in mind the following criteria:

1. That it is in the public interest to do so and that the penalties proposed will be sufficient to protect investors;
2. That the agreement is reasonable and proportionate, having regard to the conduct of the Respondent;
3. That the agreement addresses the issues of both specific and general deterrence;
4. That the agreement is likely to prevent the type of conduct set out in the facts;
5. That the agreement will foster confidence in the integrity of the Canadian capital markets;
6. That the agreement will foster confidence in the integrity of the MFDA; and
7. That the agreement will foster confidence in the regulatory process itself."

7. Enforcement Counsel also referred us to the MFDA Penalty Guidelines, which are an additional resource that a Hearing Panel can consider when determining the appropriateness of the penalty to be imposed pursuant to a Settlement Agreement. The Penalty Guidelines are not mandatory or binding, but are intended to provide a basis upon which a Hearing Panel's discretion may be exercised consistently in like circumstances.

8. In cases involving misconduct of the type admitted to in this case, the Penalty Guidelines recommend consideration of the following penalties in relation to a breach of the standard of conduct (Rule 2.1.1):

- Fine: Minimum of $5,000;
- Write or rewrite an appropriate industry course;
- Suspension
- Permanent prohibition in egregious cases.

9. It is well established that the primary goal of securities regulation, whether in the context of a settlement hearing, or a contested hearing, is protection of the investor. In addition to the protection of the investor, the goal of securities regulations include fostering public confidence in

the capital markets, and the securities industry: *Pezim* v. *British Columbia (Superintendent of Brokers*)[3]

10. In *Re Breckenridge*,[4] the Panel stated:

> "77 Previous Hearing Panels have set out a number of additional factors which should be considered when determining an appropriate penalty. These include:
>
> (a) The seriousness of the allegations proved against the respondent;
> (b) The respondent's experience in the capital markets;
> (c) The level of the respondent's activity in the capital markets;
> (d) The harm suffered by investors as a result of the respondent's activities;
> (e) The benefits received by the respondent as a result of the improper activity;
> (f) The risk to investors and the capital markets in the jurisdiction, were the respondent to continue to operate in capital markets in the jurisdiction;
> (g) The damage caused to the integrity of the capital markets in the jurisdiction by the respondent's improper activities;
> (h) 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 similar improper activity;
> (i) The need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets; and
> (j) Previous decisions made in similar circumstances."

11. In our view the Respondent's misconduct in this matter is serious. The Respondent admits that she obtained and used 75 blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to process transactions in respect of eight clients. Further, the Respondent had obtained and used 23 blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to process transactions in respect of one client. Further, the Respondent further obtained and used three additional blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to

[3] *Pezim v. British Columbia (Superintendent of Brokers),* [1994] 2 S.C.R. 557 (SCC) at paras. 59, 68
[4] *Breckenridge (Re),* 2007 LNCMFDA 38

process transactions in the accounts of the aforesaid clients. Most forms described in the Settlement Agreement consisted of trading or Know-Your-Client forms.

12. MFDA Rule 2.1.1 requires that each Member and Approved Person deal fairly, honestly, and in good faith with the clients; observe high standards of ethics and conduct in the transaction of business; and refrain from engaging in any business conduct or practice which is unbecoming or detrimental to the public interest. The Rule is designed to protect the public interest by requiring Approved Persons to adhere to a high standard of ethical conduct. The Rule has been interpreted and applied in a purposive manner in a wide range of circumstances. As stated by the MFDA Hearing Panel in *Re Breckenridge:* "the Rule articulates the most fundamental obligations of all registrants in the securities industry." [5]

13. Since October 31, 2007 the MFDA has directed Approved Persons that the obtaining, maintenance and use of pre-signed forms is contrary to the obligations detailed in Rule 2.1.1.[6]

14. In *Re Price*[7] the Respondent was found to have obtained and possessed pre-signed forms, and had used pre-signed forms to execute trades (Allegation No. 1 and No. 2). The Panel stated:

> "135. In addition, in Decisions issued before, during and after the relevant period of time in the case before us, both MFDA and Investment Dealers Association ("IDA") [now the Investment Industry Regulatory Organization of Canada ("IIROC")] Hearing Panels, as well as provincial commissions, have held that the use of pre-signed forms is prohibited. See, for example:
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> (a) *Re Woods,* [1996] I.D.A.C.D. No.4
> (b) *Re Florence* (2004), 27 OSCB 7583
> (c) *Re Cornwall, et al* (2007), 30 OSCB 10063
> (d) *In the Matter of John A. Moro,* [2007] MFDA File No. 200714
> (e) *Re Daubney* (2008), 31 OSCB 4818
> (f) *In the Matter Brian Somerset Campbell,* [2008] MFDA File No. 200805
> (g) *Re Hopper* (2009), 32 OSCB 645
> (h) *In the Matter of /PC Investment Corporation,* [2009] NSSC

[5] *Re Breckenridge*, supra, at para. 71
[6] MFDA Staff Notice 0066: Pre-Signed Forms, dated October 31, 2007
[7] *Re Price*, MFDA File No. 200814, Decision April18, 2011

(i) *In the Matter of Hill & Crawford Investment Management Group Ltd. and Albert Rodney Hill,* [2009] MFDA File No. 200834
(j) *Re Steinhoff,* [2010] IIROC No.8."

15. Further, in *Re Price* the Panel stated:

> "122. Pre-signed forms present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading. As will be discussed more fully infra, the Respondent, in this case, did not have the proper authority to engage in discretionary trading of any nature or kind on behalf of his clients.
>
> 123. At its worst, pre-signed forms create a mechanism for an Approved Person to engage in acts of fraud, theft or other forms of harmful conduct towards a client. While there is absolutely no suggestion that the Respondent engaged in any of these activities, the rational for the prohibition on pre-signed forms becomes clear.
>
> 124. Pre-signed forms also subvert the ability of a Member to properly supervise trading activity. They destroy the audit trail. The presence of the client's signature on a trade form can no longer be taken as confirmation that the client authorized a particular trade. It also compromises the ability of the Member to subsequently investigate and respond to a client complaint concerning the propriety of trading activity in his or her account."

and we agree with the analysis and reasoning aforesaid.

16. We note that the Respondent has worked in the securities as a mutual fund salesperson since December 30, 2002, and has never previously been the subject of an MFDA disciplinary proceeding. Further, by entering into the Settlement Agreement the Respondent has accepted responsibility for her misconduct and has avoided the necessity of a full contested hearing. We note the Respondent also cooperated with the Staff's investigation in this matter. Further, Staff's investigation did not reveal any evidence of unauthorized trades or client losses. There is no evidence to suggest that the Respondent received a financial or other benefit through her conduct, and there were no client complaints.

17. The fine of $2,500 and the two (2) year prohibition of the Respondent from conducting securities related business in any capacity are, in our view, significant penalties. A two (2) year prohibition may well result in the loss of a career in the securities industry. In our view this

penalty will have a significant deterrent effect on others working in the capital markets from engaging in similar activity.

18. Enforcement Counsel also referred us to five other cases, namely *Re Edmond*[8], *Re Clarke*[9], *Re Cliche*[10], *Re Balani*[11], and *Re Keshet*[12]. Each of these cases involved similar circumstances and blank pre-signed account forms and the penalty imposed were fines, costs and in two of the cases a prohibition from acting in a supervisory capacity for a period of six months.

19. The Panel has carefully considered the submissions of counsel, the authorities, the facts and circumstances and penalties set for in the Settlement Agreement. We concluded that the Settlement Agreement, and particularly the penalty agreed upon by the parties, were within a reasonable range of appropriateness, and for that reason we accepted the Settlement Agreement.

20. These Reasons may be signed in counterpart.

DATED this 28th day of September, 2016.

"Stephen D. Gill"

Stephen D. Gill
Chair

"Holly A. Millar"

Holly A. Millar
Industry Representative

"David B. Webb"

David B. Webb
Industry Representative

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[8] *Edmond (Re)*, MFDA File No. 201422, Reasons September 9, 2015;
[9] *Clarke (Re)*, MFDA File No. 201356, Reasons March 23, 2014;
[10] *Cliché (Re)*, MFDA File No. 201428, Reasons March 17, 2015;
[11] *Balani (Re)*, MFDA File No. 201402, Reasons January 15, 2015;
[12] *Keshet (Re)*, MFDA File No. 201419, Reasons dated September 3, 2014.

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IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Re: Cho Shan Yeung

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (the "MFDA") will announce that it proposes to hold a hearing to consider whether, pursuant to section 24.4 of By-law No. 1, a hearing panel of the Pacific Regional Council (the "Hearing Panel") of the MFDA should accept the settlement agreement (the "Settlement Agreement") entered into between Staff of the MFDA ("Staff") and the Respondent, Cho Shan Yeung.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent's activities. The investigation disclosed that the Respondent had engaged in activity for which the Respondent could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No. 1.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule "A".

4. Staff and the Respondent agree that the terms of this Settlement Agreement, including the attached Schedule "A", will be released to the public only if and when the Settlement Agreement is accepted by the Hearing Panel.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV herein for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to Part IX) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

IV. AGREED FACTS

Registration History

6. Since December 30, 2002, the Respondent has been registered in British Columbia as a mutual fund salesperson (now known as a mutual fund dealing representative) with PFSL Investments Canada Inc. ("PFSL"), a Member of the MFDA.

7. At all material times, the Respondent has operated out of a PFSL branch location in Richmond, British Columbia (the "Branch").

Pre-Signed Forms

8. On February 15, 2013, PFSL compliance staff conducted an unannounced on-site audit of the Branch ("Audit"). During the Audit, PFSL compliance staff found that the Respondent had obtained and used 75 blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to process transactions in respect of eight clients.

9. Following the Audit, PFSL compliance staff commenced an investigation into the Respondent's use of pre-signed forms. During the investigation, the Respondent disclosed that, in addition to the forms described in paragraph 8 above, he had obtained and used 23 blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to process transactions in respect of one client.

10. As part of its investigation, PFSL compliance staff reviewed all of the client files maintained by the Respondent. During this review, PFSL compliance staff found that the Respondent had further obtained and used three additional blank or partially complete pre-signed forms, or photocopies of blank or partially complete pre-signed forms, in order to process transactions in the accounts of clients noted in paragraphs 8 and 9.

11. Most of the forms described in this Settlement Agreement consisted of trading or Know-Your-Client forms.

12. At all material times, PFSL's policies and procedures prohibited the use of blank or partially completed pre-signed forms.

PFSL's Response

13. As stated above, PFSL compliance staff reviewed, as part of its investigation, all of the client files maintained by the Respondent and did not find any instances where the Respondent had used pre-signed forms, beyond those described in this Settlement Agreement.

14. On April 1, 2013, PFSL sent letters to the nine clients affected by the Respondent's conduct described above, in order to inform the clients of the Respondent's conduct and determine whether the clients had authorized the transactions performed by the Respondent in their accounts. None of the clients reported any concerns to PFSL with respect to transactions conducted in their accounts.

15. On June 18, 2013, PFSL issued a disciplinary letter to the Respondent in respect of her use of blank pre-signed and altered account forms.

Additional

16. No clients serviced by the Respondent have complained about her conduct.

17. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above, beyond the commissions or fees she would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

18. The Respondent has expressed remorse for her actions.

19. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

20. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources and expenses associated with conducting a full hearing of the allegations.

V. CONTRAVENTIONS

21. The Respondent admits that, between March 5, 2005 and March 20, 2012, she obtained and used 101 blank or partially complete pre-signed account forms or photocopies of partially complete pre-signed account forms, in order to process transactions in respect of nine clients, contrary to MFDA Rule 2.1.1.

VI. TERMS OF SETTLEMENT

22. The Respondent agrees to the following terms of settlement:

(a) the Respondent shall pay a fine in the amount of $2,500, pursuant to section 24.1.1(b) of By-law No. 1;

(b) the Respondent shall pay costs in the amount of $2,500, pursuant to section 24.2 of By-law No. 1;

(c) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of two years, commencing from the date of the Hearing Panel's Order, pursuant to s.24.1.1(e) of MFDA By-law No. 1;

(d) the Respondent shall attend the Settlement Hearing in person; and

(e) in the future, the Respondent shall comply with all MFDA By-laws, Rules and Policies and all applicable securities legislation and regulations made thereunder including MFDA Rule 2.1.1.

VII. STAFF COMMITMENT

23. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts set out in Part IV and the contraventions described in Part V of this Settlement Agreement, subject to the provisions of Part IX below. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any facts and contraventions that are not set out in Parts IV and V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions set out in Parts IV and V, 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.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

24. Acceptance of this Settlement Agreement shall be sought at a hearing of the Pacific Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent.

25. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the settlement hearing. Staff and the Respondent also agree that if this Settlement Agreement is accepted by the Hearing Panel, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive her rights to a full hearing, a review hearing before the Board of Directors of the MFDA 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.

26. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, then the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with s. 24.5 of By-law No. 1.

27. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, 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 him.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

28. 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 section 24.3 of the By-laws of the MFDA against the Respondent based on, but not limited to, the facts set out in Part IV of the 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.

X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

29. If, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel or an Order in the form attached as Schedule "A" is not made 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 sections 20 and 24 of By-law No. 1, unaffected by this Settlement Agreement or the settlement negotiations.

30. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that she will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the MFDA of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

XI. DISCLOSURE OF AGREEMENT

31. 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.

32. Any obligations of confidentiality shall terminate upon acceptance of this Settlement Agreement by the Hearing Panel.

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

34. A facsimile copy of any signature shall be effective as an original signature.

DATED this 2nd day of September, 2015.

"TPW"	"Cho Shan Yeung"
Witness – Signature	Cho Shan Yeung
TPW	
Witness – Print name	
	"Shaun Devlin"
	Staff of the MFDA Per: Shaun Devlin Senior Vice-President, Member Regulation – Enforcement

Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Re: Cho Shan Yeung

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Cho Shan Yeung (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, 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 ss. 20 and 24.1 of By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that, between March 5, 2005 and March 20, 2012, the Respondent obtained and used 101 blank or partially complete pre-signed account forms or photocopies of partially complete pre-signed account forms, in order to process transactions in respect of nine clients, contrary to MFDA Rule 2.1.1;

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

1. If at any time a non-party to this proceeding requests production of, or access to, any materials filed in, or the record of, this proceeding, including all exhibits and transcripts, then the MFDA Corporate Secretary shall not provide copies of, or access to, the requested documents to the non-party without first redacting from them any and all intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*;

2. the Respondent shall pay a fine in the amount of $2,500, pursuant to section 24.1.1(b) of By-law No. 1;

3. the Respondent shall pay costs in the amount of $2,500, pursuant to section 24.2 of By-law No. 1;

4. the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of two years, commencing from the date of the Hearing Panel's Order, pursuant to s.24.1.1(e) of MFDA By-law No. 1; and

5. in the future, the Respondent shall comply with all MFDA By-laws, Rules and Policies and all applicable securities legislation and regulations made thereunder including MFDA Rule 2.1.1.

DATED this [day] day of [month], 20[ ].

Per: _____

[Name of Public Representative], Chair

Per: _____

[Name of Industry Representative]

Per: _____

[Name of Industry Representative]