



Now New Self-Regulatory Organization of Canada, a consolidation of IIROC and the MFDA

**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: Majid Hassanshahi

Heard: December 2, 2022 by electronic hearing in Vancouver, British Columbia

Decision: December 2, 2022

Reasons for Decision: January 20, 2023

REASONS FOR DECISION

Hearing Panel of the Pacific Regional Council:

Nils Preshaw
Darlene Barker
Tammi Walsh

Chair
Industry Representative
Industry Representative

Appearances:

Peter Gilmore)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
Hunter Parsons)	Counsel for Respondent
)	
)	
Majid Hassanshahi)	Respondent
)	
)	

I. BACKGROUND

1. On December 2, 2022, at a settlement hearing under Section 24.4 of By-law No. 1 of the Mutual Fund Dealers Association of Canada (the “MFDA”) a Settlement Agreement between the MFDA and Mr. Majid Hassanshahi (the “Respondent”) dated September 12, 2022, was approved.
2. The Settlement Agreement is attached as Schedule “1” to these Reasons.
3. The Respondent appeared at the hearing electronically and was represented by counsel.
4. Following submissions from counsel for both parties, the Hearing Panel accepted the Settlement Agreement with these reasons to follow.
5. Attached at Schedule “2” is the Order of the Hearing Panel.

II. FACTS

6. The Respondent has been registered in the securities industry since 2011 and registered in British Columbia as a dealing representative with CIBC Securities Inc. (the “Member”), since 2014. At all material times, the Respondent carried on business in both Squamish and Whistler.
7. On January 31, 2020, the Respondent met with client XX (the “Client”) who authorized the Respondent to:
 - a) open a Tax-Free Savings Account (“TFSA”) with the Member in the Client’s name;
 - b) transfer the Client’s assets from another financial institution to the Member; and
 - c) place those assets into a money market mutual fund within the newly created TFSA.
8. The Client was a client of the Member whose account was serviced by the Respondent. The Member’s policies and procedures required the Respondent to obtain a client’s explicit and prior approval for every transaction processed in a client’s account.
9. On February 14, 2020, the Client’s assets were transferred to the Member, placed into the Client’s TFSA and invested into a money market mutual fund as directed.
10. On February 18, 2020, without receiving instructions from the Client, the Respondent removed the Client’s assets from the money market mutual fund and distributed them into four Member mutual funds (the “Switches”). That same day, the Respondent created a note in the

Member's back-office system falsely indicating that he had received telephone instructions from the Client before processing the Switches.

11. On April 27, 2020, the Client complained to the Member that the Switches had been processed without authorization. The Member has since compensated the Client for a \$960 decrease in portfolio value.

12. The Respondent admitted that on February 18, 2020, acting in his capacity as a dealing representative with the Member, he contravened MFDA Rules 2.1.1 and 1.1.2 as follows:

- a) he processed switches in the account of a client without obtaining the client's authorization, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1 and 1.1.2 (as it relates to MFDA Rule 2.5.1); and
- b) he created false notes purporting to record trade instructions from the client which had not in fact been received contrary to MFDA Rule 2.1.1.

13. There was no evidence before the Panel as to whether or not the Respondent received any financial benefit as a result of his misconduct.

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

III. ISSUE

15. The only issue to be determined by a Hearing Panel at a settlement hearing is whether to accept or reject a settlement agreement.

Section 24.4.3, MFDA By-law No. 1

IV. LAW

Role of Hearing Panel at Settlement Hearing

16. In determining whether a proposed penalty falls within a reasonable range, a hearing panel should consider the seriousness of the misconduct, aggravating and mitigating factors and the sentencing principles of general and specific deterrence.

Badasha (Re), [2015] MFDA File No. 201424, Panel Decision dated June 9, 2015, at para. 44 (citing *Breckenridge (Re)*)

MFDA By-law No. 1

17. Section 1 of the MFDA By-Law No. 1 (amended and consolidated to May 7, 2020) (the “By-Law”) provides the following relevant definitions:

...

“Approved Person” means an individual who is a partner, director, officer, compliance officer, branch manager, or alternate branch manager, employee or agent of the Member who (i) is registered or permitted, where required by applicable securities legislation, by the securities commission having jurisdiction, or (ii) submits to the jurisdiction of the Corporation.

...

“Corporation” means Mutual Fund Dealers Association of Canada \ Association canadienne des courtiers de fonds mutuels, a corporation incorporated pursuant to the Act, and any reference in the By-laws, Rules and Policies to an act being or to be performed by the Corporation shall be deemed to be a reference to the Corporation acting through any duly authorized director, officer, employee or agent of the Corporation;

...

“Member” means a member of the Corporation.

18. Section 24.1.1(b)(i) of the By-Law empowers a Hearing panel to impose, among other things, a fine of up to \$5,000,000 for each offence.

19. Section 24.2 of the By-Law gives a Hearing Panel the discretion to require a Member or Approved Person to pay costs:

MFDA Rules

20. The MFDA Rules (as amended July 7, 2022) (the “Rules”) include the following relevant sections:

1.1.2 Compliance by Members and Approved Persons

...

(b) Each Approved Person who conducts or participates in any securities related business in respect of a Member in accordance with Rule 1.1.1(c)(i) or (ii) shall comply with:

(i) the Bylaws,

(ii) the Rules, and

(iii) applicable securities legislation relating to:

(a) the operations, standards of practice and business conduct of each Member; and

(b) such Approved Person's operations, standards of practice and business conduct.

...

2.1.1 Standard of Conduct.

Each Member and each Approved Person of a Member shall:

(a) deal fairly, honestly and in good faith with its clients;

(b) observe high standards of ethics and conduct in the transaction of business;

(c) not engage in any business conduct or practice which is unbecoming or detrimental to the public interest; and

(d) be of such character and business repute and have such experience and training as is consistent with the standards described in this Rule 2.1.1, or as may be prescribed by the Corporation.

...

2.5.1 Member Responsibilities

Each Member is responsible for establishing, implementing and maintaining policies and procedures to ensure the handling of its business is in accordance with the By-laws, Rules and Policies and with applicable securities legislation.

Switches

21. Processing a Switch on behalf of a client without first obtaining their authorization is contrary to Rule 2.1.1, which requires Approved Persons to deal fairly, honestly and in good faith with clients; and Rules 1.1.2 and Rule 2.5.1 which require Approved Persons and Members to comply with the By-Law and Rules.

Martell (Re), [2018] Hearing Panel of the Pacific Regional Council, MFDA File No. 201782, Panel Decision dated October 29, 2018

Carney (Re), [2017] Hearing Panel of the Central Regional Council, MFDA File No. 201646, Panel Decision dated May 9, 2017, at para 12

Chiu (Re), [2017] Hearing Panel of the Central Regional Council, MFDA File No. 201757, Panel Decision dated October 20, 2017

Halloran (Re), [2019] Hearing Panel of the Central Regional Council, MFDA File No. 201905, Panel Decision dated May 30, 2019

Arena (Re) [2020] MFDA File No. 202047, Panel Decision dated December 7, 2020

False Records

22. Creating a false record indicating that a client had authorized a switch when no such authorization had been provided corrupts the audit trail and casts doubt on the reliability of the Member's records and the credibility of Approved Persons generally.

White (Re), [2019] Hearing Panel of the Atlantic Regional Council, MFDA File No. 2018120, Panel Decision dated July 5, 2019, at paras. 11-12

23. The conduct of creating a false record prejudices a client by making it appear as if he or she authorized a transaction when they did not. Creating a false record also misleads the Member's supervisory capability and negatively affects the complaint process. Creating a false record is contrary to Rule 2.1.1.

Davies (Re), [2020] Hearing Panel of the Central Regional Council, MFDA File No. 201968, Panel Decision dated June 16, 2020

V. ANALYSIS

Jurisdiction

24. Pursuant to sections 17 and 18 of the By-Law, the board of directors for the Corporation have designated British Columbia and the Yukon as a part of the Pacific Region and have established the Pacific Regional Council.

25. Section 1 of the By-Law defines "Regional Council" to include a Hearing Panel.

26. Section 24 of the By-Law gives a Hearing Panel of an applicable Regional Council the jurisdiction to impose a fine on an Approved Person (as defined by section 1 of the By-Law) and require an Approved Person to pay the whole or part of the costs of proceedings for a Hearing Panel.

Date

27. Section 6 of British Columbia's *Limitation Act*, S.B.C. 2012, c. 13, explains that the basic limitation period for commencing a claim is two years. Section 1 of the Act defines "limitation period" and limits the *Act* to court proceedings.

28. The Switches and creation of the false note in this matter both took place on February 18, 2020. The Client complained to the Member on April 27, 2020. It is not known when the MFDA

became involved, however both the Notice of Settlement Hearing and the Settlement Agreement are dated September 12, 2022.

Hassanshahi (Re), [2022] Notice of Settlement Hearing, MFDA File No. 202243

29. In a traditional setting, the above timeline might have raised a limitation concern, however MFDA disciplinary proceedings are not Court proceedings, they are intended to address regulatory contraventions referenced in the By-law and Rules and accordingly the *Limitations Act* does not apply.

Brown (Re), [2010] Hearing Panel of the Central Regional Council, MFDA File No. 200808, Panel Decision dated December 8, 2010 at para. 35

30. We also note that every mandatory limitation period in an enactment or law of British Columbia within which a civil or family action, proceeding, claim, or appeal must be commenced was suspended for a one-year period from March 26, 2020 to March 25, 2021, due to Covid-19. As such, even if the *Limitations Act* did apply, the Notice of Settlement Hearing in this matter would not have run afoul of any limitation period.

Covid-19 Related Measures Act – Limitation Periods, amended December 21, 2020

Approved Person

31. As mentioned above, Hearing Panels are empowered to impose penalties on Approved Persons.

32. Section 1 of the By-law defines an "Approved Person" as an individual who is a partner, director, officer, compliance officer, branch manager, or alternate branch manager, employee or agent of the Member who (i) is registered or permitted, where required by applicable securities legislation, by the securities commission having jurisdiction, or (ii) submits to the jurisdiction of the Corporation.

33. While not specifically addressed by the Settlement Agreement, we are satisfied that the Respondent is an Approved Person as defined by section 1 of the By-Law. He has been registered in the securities industry since October 2011 and has been a dealing representative with the Member since March 2014.

34. At all relevant times the Respondent was an employee or agent of the Member, has submitted to the jurisdiction of the Corporation, and is an Approved Person.

Similar Sanctions

35. The Hearing Panel reviewed cases demonstrating a range of sanctions for similar contraventions. The proposed fine and costs in this matter are within the range for this type of misconduct. In *Arruda (Re)*, there was a \$12,000 fine, in *Wallace (Re)*, a \$10,500 fine.

Arruda (Re), [2021] Hearing Panel of the Pacific Regional Council, MFDA File No. 202110, Hearing Panel Decision dated August 24, 2021

Wallace (Re), [2016] Hearing Panel of the Atlantic Regional Council, MFDA File No. 201683, Hearing Panel Decision dated January 13, 2017

36. Other relevant factors in assessing the reasonableness of the penalty are the Respondent accepted responsibility for his misconduct, has no prior disciplinary record and by entering into the Settlement Agreement he has saved the MFDA the time, resources and expenses associated with a full disciplinary hearing.

VI. CONCLUSION

37. By processing the Switch without first obtaining the Client's authorization, the Respondent did not act fairly, honestly or in good faith. This was a serious contravention of Rule 2.1.1 and was also contrary to the policies and procedures of the Member.

38. Creating a false note to try to cover up the unauthorized Switch was an even more serious contravention of Rule 2.1.1.

39. The \$10,000 fine proposed in the Settlement Agreement is an appropriate reflection of the seriousness of this case and area of misconduct. The proposed costs of \$5,000 are in line with Hearing Panel decisions referenced above.

40. Having regard to the relevant considerations including general and specific deterrence and protection of the integrity of the capital markets, the settlement is within a reasonable range and is accepted.

DATED this 20th day of January, 2023.

“Nils Preshaw”

Nils Preshaw
Chair

“Darlene Barker”

Darlene Barker
Industry Representative

“Tammi Walsh”

Tammi Walsh
Industry Representative

Schedule “1”

Settlement Agreement

File No. 202243



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: Majid Hassanshahi

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The Mutual Fund Dealers Association of Canada (the “MFDA”) will announce that it proposes to hold a hearing (the “Settlement Hearing”) to consider whether, pursuant to section 24.4 of MFDA 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, Majid Hassanshahi (the “Respondent”).

2. Staff and the Respondent, consent and agree to the terms of this Settlement Agreement.

3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

II. CONTRAVENTIONS

4. The Respondent admits to the following violations of the By-laws, Rules, or Policies of the MFDA:

- a) On or about February 18, 2020, the Respondent processed switches in the account of a client without the client’s authorization, contrary to the policies and procedures

of the Member and MFDA Rules 2.1.1, 1.1.2 (as it relates to MFDA Rule 2.5.1);
and

- b) On or about February 18, 2020, the Respondent created false notes that purported to record trade instructions received from a client which the Respondent had not in fact received, contrary to MFDA Rule 2.1.1.

III. TERMS OF SETTLEMENT

5. Staff and the Respondent agree and consent to the following terms of settlement:

- a) the Respondent shall pay a fine in the amount of \$10,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No.1;
- b) the Respondent shall pay costs in the amount of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No.1;
- c) the Respondent shall in the future comply with the policies and procedures of the Member and MFDA Rules 2.1.1, 2.5.1, and 1.1.2 (as it relates to MFDA Rule 2.5.1); and
- d) the Respondent shall attend in person or by videoconference on the date set for the Settlement Hearing.

6. Staff and the Respondent agree to the settlement on the basis of the facts set out in this Settlement Agreement herein and consent to the making of an Order in the form attached as Schedule “A”.

IV. AGREED FACTS

Registration History

7. Commencing in October 18, 2011, the Respondent has been registered in the securities industry.

8. Since March 14, 2014, the Respondent has been registered in British Columbia as a dealing representative with CIBC Securities Inc. (the “Member”), a Member of the MFDA.

9. At all material times, the Respondent conducted business in the Squamish and Whistler, British Columbia area.

The Respondent Processed Switches Without Client Authorization and Created False Notes

10. At all material times, client XX was a client of the Member whose account was serviced by the Respondent.

11. At all material times, the Member’s policies and procedures required Approved Persons to obtain the client’s explicit and prior approval for every transaction processed in a client’s account.

12. On or about January 31, 2020, the Respondent met in-person with client XX. During the meeting, client XX:

- a) instructed the Respondent to open a Tax Free Savings Account (the “TFSA”) in her name; and
- b) completed a Transfer Authorization form which directed that assets client XX held with another financial institution (the “Other Financial Institution”) be transferred to the Member and held in a money market mutual fund in the newly-created TFSA.

13. On February 14, 2020, the Other Financial Institution transferred \$10,893.88 to the TFSA and, pursuant to client XX’s prior instructions, it was invested into a money market mutual fund.

14. On February 18, 2020, the Respondent processed 4 switches (the “Switches”) to switch the holdings of client XX from the money market mutual fund into certain mutual funds, as follows:

CIBC Mutual Fund	Amount (\$)	Allocation
CIBC Global Bond Fund	\$4,358.13	40%
CIBC U.S. Index Fund	\$2,179.06	20%
CIBC Canadian Index Fund	\$2,179.06	20%
CIBC International Index Fund	\$2,179.07	20%
Total	\$10,893.88	100%

15. The Respondent processed the Switches without communicating with client XX about the Switches or otherwise receiving any instructions from client XX to process the Switches on her behalf.

16. On or about February 18, 2020, the Respondent entered a note in the Member's back-office system pertaining to his dealings with client XX. The note recorded that the Respondent spoke with client XX "by phone" on "February 18, 2020" at "12:32:23 ETC" and that, during the call, the Switches were requested by client XX. In the note, the Respondent also stated:

Spoke with client on the phone – funds just received from TD Bank – reviewed KYC and no changes
– re-allocating the funds to the [Investment Plan] discuss before – trade is suitable.

17. This note recorded by the Respondent is false because, as described above, the Respondent had not in fact communicated with client XX in respect of the Switches.

18. On April 27, 2020, client XX complained to the Member that the Switches had been processed without her authorization.

19. As a result of the Respondent's processing of the Switches, client XX experienced a decrease in the value of her portfolio in the amount of approximately \$960. The Member fully compensated the client for the decrease in value of her portfolio.

Additional Factors

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

21. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a contested hearing on the allegations.

V. ADDITIONAL TERMS OF SETTLEMENT

22. This settlement is agreed upon in accordance with section 24.4 of MFDA By-law No. 1 and Rules 14 and 15 of the MFDA Rules of Procedure.

23. The Settlement Agreement is subject to acceptance by the Hearing Panel. At or following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. MFDA Settlement Hearings are typically held in the absence of the public pursuant to section 20.5 of MFDA By-law No. 1 and Rule 15.2(2) of the MFDA Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.mfda.ca.

24. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence upon the effective date of the Settlement Agreement.

25. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

- a) the Settlement Agreement will constitute the entirety of the evidence to be submitted at the settlement hearing, subject to rule 15.3 of the MFDA Rules of Procedure;
- b) the Respondent agrees to waive any rights to a full hearing, a review hearing or appeal 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;
- c) except for any proceedings commenced to address an alleged failure to comply with this Settlement Agreement, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any contraventions that are not set out in this Settlement Agreement, 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;
- d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to section 24.1.1 of MFDA By-law No. 1 for the purpose of giving notice to the public thereof in accordance with section 24.5 of MFDA By-law No. 1; and
- e) 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 the Respondent.

26. 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 this 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.

27. If, for any reason, this Settlement Agreement is not accepted 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 MFDA By-law No. 1, unaffected by the Settlement Agreement or the settlement negotiations.

28. 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. The terms of the Settlement Agreement, including the attached Schedule “A”, will be released to the public if and when the Settlement Agreement is accepted by the Hearing Panel.

29. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile or electronic copy of any signature shall be as effective as an original signature.

DATED this 12th day of September, 2022.

“Majid Hassanshahi”

Majid Hassanshahi

Witness – Signature

Witness – Print name

“Charles Toth”

Staff of the MFDA

Per: Charles Toth

Vice-President, 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: Majid Hassanshahi

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") provided notice to the public of a Settlement Hearing in respect of Majid Hassanshahi (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 MFDA By-law No. 1;

AND WHEREAS based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

- a) on or about February 18, 2020, the Respondent processed switches in the account of a client without obtaining the client's authorization, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1 and 1.1.2 (as it relates to MFDA Rule 2.5.1); and

- b) on or about February 18, 2020, the Respondent created false notes that purported to record trade instructions received from a client which the Respondent had not in fact received, contrary to MFDA Rule 2.1.1.

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

1. The Respondent shall pay a fine in the amount of \$10,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No.1;
2. The Respondent shall pay costs in the amount of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No.1;
3. The Respondent shall in the future comply with the policies and procedures of the Member and MFDA Rules 2.1.1 and 1.1.2 (as it relates to MFDA Rule 2.5.1); and
4. If at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.

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

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]

Schedule “2”

Order

File No. 202243



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: Majid Hassanshahi

ORDER

(ARISING FROM THE SETTLEMENT HEARING ON DECEMBER 2, 2022)

WHEREAS on September 12, 2022, the Mutual Fund Dealers Association of Canada (the “MFDA”) provided notice to the public of a Settlement Hearing in respect of Majid Hassanshahi (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated September 12, 2022 (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 MFDA By-law No. 1;

AND WHEREAS based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

- a) on or about February 18, 2020, the Respondent processed switches in the account of a client without obtaining the client’s authorization, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1 and 1.1.2 (as it relates to MFDA Rule 2.5.1); and

- b) on or about February 18, 2020, the Respondent created false notes that purported to record trade instructions received from a client which the Respondent had not in fact received, contrary to MFDA Rule 2.1.1.

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

1. The Respondent shall pay a fine in the amount of \$10,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No.1;
2. The Respondent shall pay costs in the amount of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No.1;
3. The Respondent shall in the future comply with the policies and procedures of the Member and MFDA Rules 2.1.1 and 1.1.2 (as it relates to MFDA Rule 2.5.1); and
4. If at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.

DATED this 2nd day of December, 2022.

“Nils Preshaw”

Nils Preshaw
Chair

“Darlene Barker”

Darlene Barker
Industry Representative

“Tammi Walsh”

Tammi Walsh
Industry Representative