



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



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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]

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