



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

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES¹
and
Jingshan (Sarah) He**

ORDER

(ARISING FROM THE SETTLEMENT HEARING ON FEBRUARY 14, 2023)

WHEREAS on December 22, 2021, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 (now Mutual Fund Dealer Rules 7.3 and 7.4) in respect of a disciplinary proceeding commenced against the Jingshan (Sarah) He (the “Respondent”);

AND WHEREAS appearances were held by videoconference before a Hearing Panel of the Pacific Regional Council of the MFDA in this matter on February 22, 2022, May 5, 2022, July 12, 2022, October 13, 2022, and January 11, 2023;

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the New Self-Regulatory Organization of Canada, a consolidation of IIROC and the MFDA (the “Corporation”) dated February 13, 2023 (the “Settlement Agreement”), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to sections 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 the Respondent:

- a) Between January 2018 and November 6, 2019, engaged in unapproved outside activities, contrary to the Member's policies and procedures and MFDA Rules 1.3, 2.1.1, and 1.1.2 (as it relates to Rule 2.5.1) (now Mutual Fund Dealer Rules 1.3, 2.1.1, 1.1.2, and 2.5.1);
- b) Between January 2018 and November 2019, engaged in personal financial dealings with clients, which gave rise to a conflict or potential conflict of interest that she failed to disclose to the Member or otherwise address by the exercise of responsible business judgment influenced only by the best interests of the client, contrary to MFDA Rules 2.1.4 and 2.1.1 (now Mutual Fund Dealer Rules 2.1.4 and 2.1.1); and
- c) In or about January 2019, made false representations to the Member on an annual compliance questionnaire, contrary to MFDA Rule 2.1.1 (now Mutual Fund Dealer Rule 2.1.1);

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

1. The Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any Member of the MFDA for a period of 2 years pursuant to section 24.1.1(e) of MFDA By-Law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(c)).
2. The Respondent shall pay a fine of \$20,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(b)).
3. The Respondent shall pay costs in the amount of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.2).
4. If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3 (formerly 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 Corporate Secretary's Office, Mutual Fund Dealer Division of the Corporation 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 14th day of February, 2023.

“Michael Carroll”

Michael Carroll, K.C.
Chair

“Barbara Fraser”

Barbara Fraser
Industry Representative

“Tammi Walsh”

Tammi Walsh
Industry Representative

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ⁱ On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization that is temporarily called the New Self-Regulatory Organization of Canada (referred to herein as the “Corporation”) and is recognized under applicable securities legislation. The Corporation adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Pursuant to Mutual Fund Dealer Rule 1A and s. 14.6 of By-law No. 1 of the Corporation, contraventions of former MFDA regulatory requirements may be enforced by the Corporation. Pursuant to Rule 1A of the Mutual Fund Dealer Rules, MFDA By-law No. 1 continues to be applicable to this proceeding.