



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: Rohit Jaswal

Heard: May 13, 2020 by electronic hearing in Vancouver, British Columbia
Decision: May 13, 2020
Reasons for Decision: October 13, 2020

REASONS FOR DECISION

Hearing Panel of the Pacific Regional Council:

Joseph A. Bernardo
Liz Chichka
Holly Millar

Chair
Industry Representative
Industry Representative

Appearances:

Sakeb Nazim)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
)	
Rohit Jaswal)	Respondent
)	
)	

I. INTRODUCTION

1. On May 13, 2020, the Hearing Panel accepted a settlement agreement dated May 11, 2020 (“Settlement Agreement”) made between the staff of the Mutual Fund Dealers Association of Canada (“MFDA”) and Rohit Jaswal (the “Respondent”). The Settlement Agreement is attached as Appendix “A”.
2. These are the Hearing Panel’s reasons for accepting the Settlement Agreement.

II. RELEVANT FACTUAL ADMISSIONS

3. The relevant facts are set out in the Settlement Agreement.
4. Briefly, while registered in British Columbia as a dealing representative with Credential Asset Management Inc., a Member of the MFDA (“Member”), the Respondent engaged in the following conduct contrary to the Member’s policies and procedures:
 - a) In 2017, the Respondent instigated five unauthorized trades in the investment accounts of four clients:
 - (i) Between June 23 and July 4, 2017, he implemented three trades in accounts held by clients KK, PB, and RG.
 - (ii) On July 17, 2017, he processed one trade each in two different accounts held by client PS.
 - (iii) The Respondent did not obtain instructions from any clients prior to implementing any of the trades. In order to implement the trades involving the PS accounts, he falsified the client’s signature in relevant documentation.
 - (iv) Each trade involved a purchase or switch into a mutual fund for which the Respondent was eligible to earn additional compensation at the time. The total asset value of the five trades was approximately \$78,900.
 - b) Between May and June 2017, the Respondent obtained and used pre-signed forms to process seven transactions involving four clients.

5. Following an internal investigation, the Member withheld the additional compensation otherwise due from the trades and terminated the Respondent.

6. The Respondent is no longer registered in the securities industry in any capacity. He has not previously been disciplined.

7. The Respondent is impecunious, in part because he has been unable to find employment due to the COVID-19 pandemic.

III. MISCONDUCT

8. MFDA Rule 2.1.1 requires Approved Persons to observe high standards of conduct in the transaction of their business and to refrain from engaging in any business conduct or practice which is unbecoming or detrimental to the public interest. This rule obligates an Approved Person to be scrupulous in following the more specific requirements imposed by other MFDA Rules.

- a) MFDA Rule 2.3.1(b) forbids Members and Approved Persons from engaging in discretionary trading.
- b) Under MFDA Rule 2.5.1, a Member is responsible for establishing policies and procedures to ensure its business is conducted in accordance with the MFDA's requirements and applicable securities legislation.
- c) MFDA Rules 1.1.2 and 2.10 obligate Approved Persons to follow their employer's supervisory requirements.

9. In the Settlement Agreement, the Respondent admits, and the facts establish, that between May and July, 2017 he :

- a) made five unauthorized trades; and
 - b) used pre-signed forms,
- contrary to MFDA Rules 2.3.1(b), 2.1.1, 2.5.1, 2.1.0, and 1.1.2.

IV. STANDARD

10. MFDA By-Law 24.4 sets out settlement hearing procedures and grants hearing panels jurisdiction to accept or reject settlements.

11. It is a truism in MFDA disciplinary proceedings that settlements are to be encouraged and supported. This is because public protection, the cardinal function of securities regulation, is best served by an efficient allocation of limited enforcement resources.

12. Moreover, as the result of negotiations between litigants opposed in interest, settlements represent the best efforts of the persons most engaged with the facts of a case to arrive at a pragmatic and balanced assessment of its issues.

British Columbia Securities Commission v. Seifert, 2007 BCCA 484
at paras. 26 and 31.

13. For these reasons, a hearing panel ought not to assess a proposed outcome against what it might itself deem appropriate if it were exercising its own independent judgment. Instead, the panel's responsibility is to weigh the agreed upon sanctions solely against the objectives of protecting the investing public and the integrity of the mutual fund industry. An outcome should be rejected only if it clearly falls "outside a reasonable range of appropriateness" for the facts disclosed in the settlement. Otherwise, it is incumbent on the hearing panel to accept it.

Sterling Mutuals Inc. (Re), 2008 MFDA 16, at para. 37, citing the reasoning in *Milewski (Re)*, [1999] I.D.A.C.D. No. 17 at p. 11, Ontario District Council Decision dated July 28, 1999.

V. DECISION

14. The Settlement Agreement proposed the following penalties:

- a) six month prohibition;
- b) \$5,000 fine; and
- c) \$2,500 costs.

15. Previous MFDA decisions are unambiguous in characterizing both unauthorized trading and the use of pre-signed account forms as serious misconduct. This is because an Approved Person who acts without consultation imposes potentially significant harm on clients by usurping their role as the active decision-makers in their own financial affairs. When an Approved Person does so for the sake of their own pecuniary gain, it is an aggravating factor.

16. Staff of the MFDA reviewed a number of settlement hearing decisions. In those where the misconduct was most similar to the Respondent's, the sanctions included fines ranging from \$10,000 to \$15,000, costs orders ranging from \$2,500 to \$5000, and prohibitions ranging from none to six months:

- (i) *John Joseph Moakler (Re)*, [2016] MFDA File #201571
- (ii) *Danny Rana (Re)*, [2019] MFDA File #201871
- (iii) *Natascha Nadine Stutz (Re)*, [2019] MFDA File #2018129
- (iv) *Byron Todd Briske (Re)*, [2019] MFDA File #201902
- (v) *Laurina Mahendran (Re)*, [2019] MFDA File #201911

17. In considering the proposed outcome in this case, the hearing panel considered the following factors to be particularly relevant:

- a) The Respondent was evidently motivated by pecuniary gain.
- b) Falsifying a client's signature is by definition deceptive.
- c) MFDA Rule 2.3.1(b) explicitly prohibits unauthorized trading, while MFDA Bulletin #0661-E issued on October 2, 2015 explicitly warns Approved Persons against the use of pre-signed account forms. The Respondent ought to have been aware of these obligations, and of the seriousness of his misconduct, by virtue of having been registered as a mutual fund dealing representative since October 2013.
- d) The misconduct was relatively limited and did not result in either the Respondent receiving any financial benefit or the clients suffering any harm.
- e) The Respondent provided evidence that satisfied the MFDA that he had only a limited ability to pay a fine.
- f) By accepting responsibility for his misconduct and entering into the Settlement Agreement, the Respondent enabled MFDA Staff to obtain a timely enforcement outcome.

18. While the prohibition and costs order both fell well within the usual range for similar misconduct, the proposed fine was lower than that which the facts would normally justify. This was justified by the Respondent's limited ability to pay. The Hearing Panel, therefore, was satisfied

that the orders agreed upon by the parties did not fall outside the reasonable range of appropriateness.

DATED this 13th day of October, 2020.

“Joseph A. Bernardo”

Joseph A. Bernardo
Chair

“Liz Chichka”

Liz Chichka
Industry Representative

“Holly Millar”

Holly Millar
Industry Representative

DM 771845

Appendix “A”

Settlement Agreement

File No. 201967



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

**IN THE MATTER OF A SETTLEMENT HEARING
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Re: Rohit Jaswal

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The Mutual Fund Dealers Association of Canada (the “MFDA”) will announce by new release 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, Rohit Jaswal (the “Respondent”).

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 XI) 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. Between October 2013 and September 5, 2017, the Respondent was registered in British Columbia as a dealing representative of mutual fund dealers that were Members of the MFDA.

7. From November 17, 2015 to September 5, 2017, the Respondent was registered in British Columbia as a dealing representative with Credential Asset Management Inc. (the “Member”), a Member of the MFDA.

8. On July 28, 2017 when the Member became aware of some of the conduct described below, the Member suspended the Respondent pending the completion of an internal investigation of his conduct. On September 5, 2017 after completing its investigation, the Member terminated the Respondent.

9. The Respondent is not currently registered in the securities industry in any capacity.

10. At all material times, the Respondent carried on business in the Surrey, British Columbia area from a credit union branch affiliated with the Member (the “Branch”).

Contravention #1 – Unauthorized Trading

a) The Policies And Procedures Of The Member

11. At all material times, the Member’s policies and procedures prohibited its Approved Persons from engaging in unauthorized or discretionary trading.

12. At all material times, the Member’s policies and procedures required its Approved Persons to obtain and maintain evidence of client authorization before processing a trade order in a client’s account.

b) Client PS

13. At all material times, client PS was a client of the Member who maintained investment accounts at the Branch, including an individual Registered Retirement Savings Plan account (“RRSP”) and spousal Registered Retirement Savings Plan account (“SRRSP”).

14. On one occasion during the spring of 2017, client PS attended at the Branch to obtain investment advice concerning her accounts. Client PS was informed that the Approved Person who had provided investment advice to her in the past was on leave. Client PS was introduced to the Respondent but the Respondent told client PS that he was busy and did not have time to discuss her investment accounts with her on that day. The Respondent asked her to write down her name and sign her name on a blank piece of paper. The Respondent told her that he would contact her later to schedule a meeting to discuss her investment accounts.

15. The Respondent did not contact client PS after she left the Branch and client PS did not have further communication with the Respondent.

16. In July 2017, the Respondent submitted paperwork to process two switches in the investment accounts of PS (one in her RRSP and one in her SRRSP) from a conservative Canadian equity mutual fund into a socially responsible investment (“SRI”) mutual fund that was being promoted at the Branch, as described below:

Account	Fund	Transaction	Transaction Date	Transaction Amount
RRSP	IA Clarington Canadian Conservative Equity Fund A	Switch Out	17-Jul-17	\$ (14,912.53)
RRSP	IA Clarington Inhance Canadian Equity SRI Class A	Switch In	17-Jul-17	\$ 14,912.53

Account	Fund	Transaction	Transaction Date	Transaction Amount
SDSRSP	IA Clarington Canadian Conservative Equity Fund A	Switch Out	17-Jul-17	\$ (2,794.04)
SDSRSP	IA Clarington Inhance Canadian Equity SRI Class A	Switch In	17-Jul-17	\$ 2,794.04

17. In order to process the switches in the accounts, the Respondent falsified client PS's signature on two Investment Instruction forms and two Pre-Trade Disclosure forms.

18. The Respondent was eligible to earn additional compensation as a result of the switches into the SRI mutual fund, which was not otherwise payable for mutual funds which did not qualify as SRI mutual funds.

19. The Respondent did not contact client PS to discuss the switches or to obtain instructions from client PS to proceed with the proposed trades before submitting the paperwork to process the switches in the investment accounts of client PS. Consequently, client PS had not authorized the switches that were processed in her investment accounts on July 17, 2017.

20. When client PS received notification that trades had been processed in her accounts, she attended at the Branch to ask how these transactions had been processed, and informed the Branch that she had not been contacted about the transactions and had not authorized them.

21. The Member commenced an investigation into the Respondent's conduct and concluded that the switches had not been authorized by client PS. Subsequently, the Member reversed the unauthorized switches that had been processed in the accounts of client PS.

c) Clients KK, PB & RG

22. Between June and July 2017, the Respondent submitted three trades in client accounts for clients KK, PB and RG in order to purchase or switch into SRI mutual funds, as described below:

Client	Account	Fund	Transaction	Transaction Date	Transaction Amount
KK	SD OPEN	BMO Guar Lifestg Plus 2017 Adv S DC	Sell	23-Jun-17	\$ (16,144.24)
		IA Clarington Inhance Conservative SRI Port T6	Buy	28-Jun-17	\$ 16,144.24
PB	RESP-F	IA Clarington Canadian Balanced Fund Series A	Switch Out	4-Jul-17	\$ (33,797.38)
		IA Clarington Inhance Balanced SRI Portfolio A	Switch In	4-Jul-17	\$ 33,762.74
RG	RRSP	BMO Guar Lifestg Plus 2017 Adv S DC	Sell	23-Jun-17	\$ (11,333.12)

Client	Account	Fund	Transaction	Transaction Date	Transaction Amount
	RRSP	IA Clarington Inhance Conservative SRI Port T6	Buy	26-Jun-17	\$ 11,333.12

23. The Respondent admits that he did not obtain trading instructions from clients KK, PB or RG prior to processing the switches into SRI mutual funds in their investment accounts that are listed in paragraph 22 above.

24. The Respondent was eligible to earn additional compensation as a result of each of the switches into the SRI mutual funds, which was not otherwise payable for mutual funds which did not qualify as SRI mutual funds.

25. The Respondent admits that by engaging in the conduct described above, the Respondent processed five unauthorized trades in the investment accounts of four clients, thereby engaging in conduct contrary to the policies and procedures of the Member and MFDA Rules 2.3.1(b), 2.1.1, 2.5.1, 2.10 and 1.1.2.

Contravention #2 – Pre-Signed Account Forms

26. At all material times, the Member’s policies and procedures prohibited its Approved Persons from holding, obtaining, or using pre-signed account forms.

27. Between May and June 2017, the Respondent obtained, possessed, and used to process transactions, 7 pre-signed account forms in respect of four clients.

28. The pre-signed account forms consisted of Investment Instruction forms, Pre-Trade Disclosure forms and Know-Your-Client Update forms.

29. The Respondent admits that by engaging in the conduct described above, the Respondent failed to observe high standards of ethics and conduct in the transaction of business, and engaged in conduct unbecoming an Approved Person, contrary to MFDA Rule 2.1.1. The Respondent’s conduct was also contrary to the Member’s policies and procedures and MFDA Rules 2.5.1, 2.10 and 1.1.2.

Additional Factors

30. The Respondent states that he is impecunious and unable to pay a monetary penalty that is greater than the total of the fine and costs amounts set out in this Settlement Agreement. On January 30, 2020, the Respondent was terminated from his position as a wealth planner at HSBC Bank. The Respondent has been unemployed since then, and states that he has been unable to find employment due to the ongoing Covid-19 pandemic. The Respondent states that as a result of the financial strain that his family is facing, he recently had to consolidate his mortgage payments, cancel his auto insurance, and withdraw his children from daycare in order to reduce his family expenses. The Respondent has produced documentary evidence to MFDA Staff which corroborates the Respondent's assertions about his current state of financial hardship, including personal financial statements, bank records, insurance and employment documentation.

31. The Respondent acknowledges that absent his limited ability to pay, it would have been appropriate for him to be subject to a penalty that included a greater fine due to the conduct that is the subject of this Settlement Agreement.

32. Following the completion of an investigation into the conduct of the Respondent, the Member withheld all of the additional compensation that the Respondent expected to earn for promoting the sale of SRI mutual funds. Consequently, as it turned out, the Respondent did not receive any financial benefit from his misconduct.

33. 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.

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

V. CONTRAVENTIONS

35. The Respondent admits that between June 23, 2017 and July 17, 2017, he processed five unauthorized trades in the investment accounts of four clients, contrary to the policies and procedures of the Member and MFDA Rules 2.3.1(b), 2.1.1, 2.5.1, 2.10 and 1.1.2.

36. The Respondent admits that between May and June 2017, he obtained, possessed, and used to process transactions, 7 pre-signed account forms in respect of four clients, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1, 2.5.1, 2.10 and 1.1.2.

VI. TERMS OF SETTLEMENT

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

- a) the Respondent is prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 6 months, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- b) the Respondent shall pay a fine in the amount of \$5,000, pursuant to section 24.1.1(b) of By-law No. 1;
- c) the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
- d) the payment by the Respondent of the Fine and Costs shall be made to and received by MFDA Staff as follows:
 - i. \$1,500 (Costs) payable in certified funds upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$1,000 (Costs) on or before the last business day of the 1st month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;
 - iii. \$1,000 (Fine) on or before the last business day of the 2nd month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;
 - iv. \$1,000 (Fine) on or before the last business day of the 3rd month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;
 - v. \$1,000 (Fine) on or before the last business day of the 4th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;

- vi. \$1,000 (Fine) on or before the last business day of the 5th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel; and
 - vii. \$1,000 (Fine) on or before the last business day of the 6th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel.
- e) if the Respondent becomes registered again in the future, he shall in the future comply with MFDA Rules 2.1.1, 2.3.1(b), 2.5.1, 2.10 and 1.1.2; and
 - f) the Respondent will attend in person or by videoconference, on the date set for the Settlement Hearing.

VII. STAFF COMMITMENT

38. 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

39. 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. 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.

40. 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 his 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.

41. 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. 24.1.1 and 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.

42. 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 it him.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

43. 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

44. 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.

45. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that he 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

46. 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.

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

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 11th day of May, 2020.

“Rohit Jaswal”

Rohit Jaswal

“PJ”

Witness – Signature

PJ

Witness – Print Name

“Charles Toth”

Staff of the MFDA
Per: Charles Toth
Vice-President, Enforcement

Schedule “A”

Order

File No. 201967



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 Rohit Jaswal

ORDER

WHEREAS on November 12, 2019, 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 in respect of Rohit Jaswal (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 on the basis of the facts admitted by the Respondent in Part IV of the Settlement Agreement and the contraventions admitted by the Respondent in Part V of the Settlement Agreement, the Hearing Panel is of the opinion that the Respondent:

- a) Between June 23, 2017 and July 17, 2017, the Respondent processed five unauthorized trades in the investment accounts of four clients, contrary to the Member’s policies and procedures, and MFDA Rules 2.3.1(b), 2.1.1, 2.5.1, 2.10, and 1.1.2; and

- b) Between May and June 2017, the Respondent obtained, possessed, and used to process transactions, 7 pre-signed account forms in respect of four clients, contrary to the Member's policies and procedures and MFDA Rules 2.1.1, 2.5.1, 2.10, and 1.1.2.

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

1. The Respondent is prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 6 months, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
2. The Respondent shall pay a fine of \$5,000, pursuant to Section 24.1.1(b) of MFDA By-law No. 1;
3. The Respondent shall pay costs to the MFDA in the amount of \$2,500, pursuant to section 24.2 of Bylaw No. 1;
4. The Respondent shall pay the fine referred to in section 2 and the costs referred to in section 3 of this order in accordance with the following schedule:
 - i) \$1,500 (Costs) in certified funds upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii) \$1,000 (Costs) on or before the last business day of the 1st month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;
 - iii) \$1,000 (Fine) on or before the last business day of the 2nd month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;
 - iv) \$1,000 (Fine) on or before the last business day of the 3rd month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;
 - v) \$1,000 (Fine) on or before the last business day of the 4th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;
 - vi) \$1,000 (Fine) on or before the last business day of the 5th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel; and

vii) \$1,000 (Costs) on or before the last business day of the 6th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel.

5. 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]