



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: Pragya Kakkar

Heard: November 17, 2017 in Edmonton, Alberta

Decision: November 17, 2017

Reasons for Decision: December 8, 2017

REASONS FOR DECISION

Hearing Panel of the Prairie Regional Council:

The Hon. René P. Foisy

Chair

Greg Wiebe

Industry Representative

Kathleen Jost

Industry Representative

Appearances:

Justin Dunphy

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Counsel for the Mutual Fund Dealers

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Association of Canada

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Pragya Kakkar

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Respondent, In Person

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1. By Notice of Settlement hearing dated October 24, 2017, and duly served upon Pragya Kakkar (“Respondent”), a settlement hearing was heard on November 17, 2017 in Edmonton, Alberta.

2. Staff of the MFDA (“Staff”) has entered into a Settlement Agreement dated October 19, 2017 (“Settlement Agreement”) with the Respondent in which she admits that:

a) between February 2016 and July 2016, she obtained, possessed, and used to process transactions, 14 pre-signed forms in respect of 6 clients, contrary to MFDA Rule 2.1.1.

3. Staff submits that the Hearing Panel ought to accept the Settlement Agreement as the proposed resolutions fall inside the reasonable range of appropriateness having regard to the nature of the conduct admitted by the Respondent and the MFDA’s regulatory objective of protecting the public.

AGREED FACTS

Registration History

4. Since April 2010, the Respondent has been registered in the securities industry.

5. Since November 2016, the Respondent has been registered in Alberta as a mutual fund salesperson (now known as a dealing representative) with Scotia Securities Inc., a Member of the MFDA.

6. From February 2015 to August 2016, the Respondent was registered as a dealing representative in Alberta with Royal Mutual Funds Inc. (“Royal Mutual”), a Member of the MFDA. The Respondent’s registration was terminated as a result of the misconduct that is the subject of this Settlement Agreement.

7. From January 2012 to February 2015, the Respondent was a registered representative in Alberta with CIBC Investors Services Inc., a dealer member of the Investment Industry Regulatory Organization of Canada.

8. From April 2010 to September 2011, the Respondent was registered as a dealing representative in Alberta and British Columbia with Credential Asset Management Inc., a Member of the MFDA.

9. At all material times, the Respondent conducted business in the Edmonton, Alberta area.

Pre-Signed Account Forms

10. At all material times, Royal Mutual's policies and procedures prohibited its Approved Persons, including the Respondent, from obtaining, holding, or using pre-signed account forms.

11. Between February 2016 and July 2016, the Respondent obtained, possessed, and used to process transactions, 14 pre-signed account forms in respect of 6 clients.

12. The pre-signed account forms all consisted of investment contribution forms where the Respondent obtained an initial pre-signed signature page from the clients, which she subsequently photocopied and re-used to complete separate transactions in the clients' accounts.

Royal Mutual's Investigation

13. On or about August 5, 2016, Royal Mutual's compliance staff identified that the Respondent had used a photocopied signature page from an investment contribution form to complete several separate transactions in a client's account. Royal Mutual subsequently commenced an investigation.

14. On or about August 12, 2016, Royal Mutual conducted a review of all transactions submitted by the Respondent between January 1, 2016 and August 12, 2016, and identified the remaining pre-signed account forms that are the subject of this Settlement Agreement.

15. Between August 16, 2016 and August 26, 2016, Royal Mutual's compliance staff met with the 6 clients for whom the Respondent obtained pre-signed forms, confirmed that all trades conducted by the Respondent were authorized, and obtained properly executed account forms to complete the transactions in the clients' accounts.

16. On or about August 31, 2016, Royal Mutual terminated the Respondent's registration as a result of the conduct described above.

Additional Factors

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

18. There is no evidence of any client loss or that the transactions were unauthorized.

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.

Additional Terms of Settlement

21. 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 Procedures.

22. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing. At, or following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement.

23. 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.

24. 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 respecting the Respondent in this matter;
- b) The Respondent waives any 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;
- c) Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts and contraventions described in this Settlement Agreement. 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 this Settlement Agreement. 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 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; 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.

25. 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 by-law No. 1, unaffected by the Settlement Agreement or the settlement negotiations.

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

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

CONTRAVENTIONS

28. The Respondent agrees, as terms of the Settlement Agreement to:

- a) between February 2016 and July 2016, she obtained, possessed, and used to process transactions, 14 pre-signed account forms in respect of 6 clients, contrary to MFDA Rule 2.1.1

Settlement Agreement, at para. 4

TERMS OF SETTLEMENT

29. The Respondent agrees, as terms of the Settlement Agreement to:

- a) The Respondent shall pay a fine in the amount of \$7,500 pursuant to s. 24.1.1.(b) of MFDA By-law No. 1;

- b) The Respondent shall pay costs in the amount of \$2,500 pursuant to s. 24.2.2 of MFDA By-law No. 1;
- c) The payment by the Respondent of the Fine and Costs shall be made to and received by MFDA Staff in certified funds as follows:
 - i. \$2,500.00 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - iii. \$2,500 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;
 - iv. \$2,500 on or before the last business of the 6th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel.
- d) If the Respondent fails to make any of the installment payments described above in sub-paragraph 5 (c):
 - i. Any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to the MFDA; and
 - ii. The Respondent shall be prohibited from conducting securities related Business while in the employ or associated with a Member of the MFDA until such time as the total amount outstanding of the Fine and Costs owed by the Respondent is paid to the MFDA, pursuant to s. 24.3.13(c) of MFDA By-law No. 1.
- e) The Respondent shall in the future comply with MFDA Rule 2.1.1; and
- f) The Respondent will attend the Settlement Hearing in Person.

30. For the reasons set out herein, Staff submits that the settlement advances the public interest as it is reasonable and proportionate having regard to the nature and extent of the Respondent's misconduct and all of the circumstances.

LAW

31. The relevant MFDA provisions in this matter are:

Law	Details of Provision	Book of Authorities
MFDA Rule 2.1.1	Standard of Conduct	Tab 1
Sections 20, 24.1.1, 24.1.4, 24.2, 24.4 of MFDA By-law No. 1	Power of hearing panels to discipline approved persons and order the payment of costs	Tab 2
Rules 14 and 15 of the MFDA Rules of Procedure	Rules relevant to MFDA settlement hearings	Tab 3
MFDA Notice #MSN-0066 dated October 31, 2007 (updated March 4, 2013)	Notice regarding signature falsification	Tab 4
MFDA Bulletin #0661-E dated October 2, 2015	Bulletin regarding signature falsification	Tab 5

Factors Concerning Acceptance of a Settlement Agreement

32. Pursuant to s. 24.4.3 of MFDA By-law No. 1, a hearing Panel has two options with respect to a settlement agreement referred to it on the recommendation of Staff. The Hearing Panel shall either accept the Settlement Agreement or reject it.

MFDA By-law no. 1, Staff's Book of Authorities, Tab 2

33. The role of a Hearing Panel at a settlement hearing is fundamentally different than its role at a contested hearing. As stated by the MFDA Hearing Panel in *Sterling Mutuals Inc. (Re)*, citing the I.D.A. Ontario District Council in *Milewski (Re)*:

“We also note that while in a contested hearing the Panel attempts to determine the correct penalty, in a settlement hearing the Panel “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.” [Emphasis added.]

Sterling Mutuals Inc. (Re), MFDA File No. 200820, Hearing Panel of the Central Regional Council, Decision and Reasons dated August 21, 2008 at para. 37, Staff's Book of Authorities, Tab 6.

Milewski (Re), [1999] IDACD No. 17 at p. 12, Ontario District Council Decision dated July 28, 1999, Staff's Book of Authorities, Tab 7

34. Settlements assist the MFDA in meeting its regulatory objective of protecting the public by proscribing activities that are harmful to the public, and by enabling flexible remedies tailored to the interests of both the MFDA and a respondent. Staff submits that the ability of the MFDA to enter into settlements is enhanced where Hearing Panels do not reject a settlement agreement unless the proposed penalty clearly falls outside the reasonable range of appropriateness.

British Columbia Securities Commission v Seifert, 2007 BCCA 484 at para. 31, Staff's Book of Authorities, Tab 8

35. In past cases, MFDA Hearing Panels have taken into account the following considerations when determining whether a proposed settlement should be accepted:

- a) Whether acceptance of the settlement agreement would be in the public interest and whether the penalty imposed will protect investors;
- b) Whether the settlement agreement is reasonable and proportionate, having regard to the conduct of the Respondent as set out in the settlement agreement;
- c) Whether the settlement agreement addresses the issues of both specific and general deterrence;
- d) Whether the settlement agreement will prevent the type of conduct described in the settlement agreement from occurring again in the future
- e) Whether the settlement agreement will foster confidence in the integrity of the Canadian capital markets
- f) Whether the settlement agreement will foster confidence in the integrity of the MFDA; and
- g) Whether the settlement agreement will foster confidence in the regulatory process itself

Sterling Mutuals Inc. (Re), *supra*, at para. 36 and the decisions cited therein, Staff's Book of Authorities, Tab 6

MFDA Penalty Guidelines

36. The MFDA Penalty Guidelines are an additional resource that a Hearing Panel may consult when determining the appropriateness of the penalty to be imposed pursuant to a settlement agreement. The penalty types and ranges stated in the Penalty Guidelines are not mandatory or binding; they are intended to provide a basis upon which a Hearing Panel's discretion can be exercised consistently in like circumstances.

Excerpts from the MFDA Penalty Guidelines, Staff's Book of Authorities, Tab 9

37. In cases involving misconduct of the type admitted to in the present case, the Penalty Guidelines recommend consideration of the following penalties and factors:

Breach	Penalty Type & Range	Specific Factors To Consider
Standard of Conduct (Rule 2.1.1) (Guidelines, p. 27)	<ul style="list-style-type: none"> • Fine (AP): Minimum of \$5,000 • Write or rewrite an appropriate industry course (e.g. IFIC Officers', Partners' and Directors' Course or Canadian Investment Funds Course) • Suspension • Permanent prohibition in egregious cases 	<ul style="list-style-type: none"> • Nature of the circumstances and conduct • Number of individuals affected • Whether the conduct is likely to bring the individual, the Member or the mutual fund industry into disrepute

Excerpts from the MFDA Penalty Guidelines at p. 27, Staff's Book of Authorities, Tab 9

Appropriateness of the Proposed Penalty

38. The primary goal of securities regulation, whether in the context of a settlement hearing or a contested hearing, is protection of the investor.

Pezim v British Columbia (Superintendent of Brokers), [1994] 2 SCR 557 (SCC at paras. 59,68, Staff's Book of Authorities, Tab 10

Breckenridge (Re), MFDA File No. 200718, Hearing Panel of the Central Regional Council, Decision and Reasons dated November 14, 2007 at para. 74, Staff's Book of Authorities, Tab 11

39. In addition to protection of the investor, the goals of securities regulation include fostering public confidence in the capital markets and the securities industry.

Pezim v British Columbia (Superintendent of Brokers), supra, at paras. 59, 68, Staff's Book of Authorities, Tab 10

40. Hearing Panels frequently consider the following factors when determining whether a penalty is appropriate:

- a) The seriousness of the allegations proved against the Respondent;
- b) The Respondent's past conduct, including prior sanctions;
- c) The Respondent's experience and level of activity in the capital markets;
- d) Whether the Respondent recognizes the seriousness of the improper activity;
- e) The harm suffered by investors as a result of the Respondent's activities;
- f) The benefits received by the respondent as a result of the improper activity;
- g) The risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;
- h) The damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;
- i) 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 in similar improper activity;
- j) The need to alert others to the consequences of inappropriate activities to those who are permitted to participate in the capital markets; and
- k) Previous decisions made in similar circumstances

Breckenridge (Re), supra, at para. 77 and the decisions cited therein, Staff's Book of Authorities, Tab 11

Enhanced Penalties

41. In the present matter, Staff submits that there is an additional consideration for the Hearing Panel to take into account. In MFDA Bulletin #0061_E, dated October 2, 2015, Staff reminded Members and Approved Persons that "Signature Falsification" is not permissible under

MFDA Rules. This term includes conduct like pre-signed account forms, altered account forms and the falsification of a client signature. In the Bulletin, Staff advised Members and Approved Persons that Staff will be seeking enhanced penalties at MFDA disciplinary proceedings for conduct that occurred after the publication of the Bulletin on October 2, 2015.

Application in the Present Case

42. Staff have taken the factors set out above into account in reaching the Settlement Agreement with the Respondent, as follows:

Nature of the Misconduct: Pre-Signed Account Forms

43. The Respondent's misconduct is serious; she obtained, possessed, and used to process transactions 14 pre-signed account forms in respect of 6 clients, contrary to MFDA Rule 2.1.1.

44. MFDA Rule 2.1.1 sets the standard of conduct to be followed by all Approved Persons. 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 *Breckenridge (RE)*: "The Rule articulates the most fundamental obligations of all registrants in the securities industry."

Breckenridge (Re), *supra*, at para. 71, Staff's Book of Authorities, Tab 11

Price (Re), MFDA File No. 200814, Hearing Panel of the Central Regional Council, Decision and Reasons dated April 18, 2011, at paras. 118 – 121, Staff's Book of Authorities, Tab 12

45. MFDA Rule 2.1.1 requires that each Member and Approved Person deal fairly, honestly, and in good faith with 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.

MFDA Rule 2.1.1, Staff's Book of Authorities. Tab 1

46. The MFDA has made clear to Approved Persons since October 31, 2007, in both MFDA Staff Notices and Bulletins, that possessing and using pre-signed forms is contrary to the obligations of Rule 2.1.1.

Member Staff Notice 0066: Pre-Signed Forms, dated October 31, 2007 (updated March 4, 2013) Staff's Book of Authorities, Tab 4

MFDA Bulletin #0066-E: Signature Falsification, dated October 2, 2015, Staff's Book of Authorities, Tab 5

47. Hearing Panels of the MFDA, IIROC, and provincial securities commissions have also confirmed that the possession and use of pre-signed forms is prohibited.

Price (Re), supra at para. 135 and the decisions cited therein, Staff's Book of Authorities, Tab 12

48. The MFDA Hearing panel in *Price (Re)* identified the dangers posed by pre-signed forms which can be summarized as follows:

- a) Pre-signed forms present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading;
- b) At 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; and
- c) Pre-signed forms subvert the ability of a Member to properly supervise trading activity

Price (Re), supra, at paras. 122-124, Staff's Book of Authorities, Tab 12

49. The prohibition on the use of pre-signed account forms applies regardless of whether the client was aware, or authorized the use, of the pre-signed forms, and whether the forms were actually used by the Approved Person for discretionary trading or other improper purposes.

Wellman (Re), MFDA File No. 201529, Hearing panel of the Central Regional Council, Decision Reasons dated December 21, 2015, at para. 10, Staff's Book of Authorities, Tab 13

50. Finally, Staff notes that in this matter, all 14 of the pre-signed account forms were obtained after the MFDA issued MFDA Bulletin #0061-E on October 2, 2015. Staff considers this to be an aggravating factor, which has been discussed by hearing panels in several MFDA decisions.

Techer (Re), MFDA File No. 201662, Hearing Panel of the Central Regional Council, Decision Reasons dated December 5, 2016, at para. 44, Staff's Book of Authorities, Tab 14

Ackerman (Re), MFDA File No. 201734, Hearing Panel of the Prairie Regional Council, Decision and Reasons dated December 5, 2016, at para. 44, Staff's Book of Authorities, Tab 14

51. On the basis of the foregoing, by obtaining and using pre-signed forms as described in Part III of the Settlement Agreement, Respondent engaged in conduct prohibited by MFDA Rule 2.1.1, and therefore, engaged in misconduct that should be regarded as serious.

The Respondent's Experience in the Securities Industry

52. The Respondent has been registered in the securities industry since April 2010 as a mutual fund dealing representative, with the exception of January 2012 to February 2015, when she was registered with an IIROC dealer member.

Settlement Agreement, at paras. 7 - 11

The Respondent's Recognition of the Seriousness of her Misconduct

53. By entering into the Settlement Agreement, the Respondent has accepted responsibility for her misconduct and avoided the necessity of the MFDA incurring the additional time and expense of a full contested hearing.

Settlement Agreement, at paras. 23

Client Harm and Benefits Received by the Respondent

54. 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.

Settlement Agreement, at paras. 20, 21

Deterrence

55. A fine of \$7,500 is sufficient to achieve the goals of specific and general deterrence, having regard to the factors described above.

56. The penalty demonstrates that the Respondent's misconduct in all of the circumstances is serious and has significant consequences. The penalty will also deter others in the capital markets from engaging in similar activity.

Penalty Guidelines

57. Staff is seeking a \$7,500 fine, which exceeds the fine recommended by the Penalty Guidelines for an Approved Person's breach of the standard of conduct. Staff submits that a fine higher than the minimum is suitable because the misconduct occurred after the MFDA issued MFDA Bulletin #0061-E.

Previous Decisions in Similar Cases

58. The following penalties have been imposed in similar circumstances:

Case	Facts	Outcome
<i>Nguyen (Re)</i>	<ul style="list-style-type: none">• The Respondent admitted that she:<ul style="list-style-type: none">○ falsified 1 client account form in respect of 2 clients without obtaining client initials authorizing the changes; and	<ul style="list-style-type: none">• The Hearing Panel approved the settlement agreement with the following

Case	Facts	Outcome
	<ul style="list-style-type: none"> ○ obtained, possessed, and in 11 cases used to process transactions, 16 pre-signed account forms in respect of 9 clients. 	terms: <ul style="list-style-type: none"> • Fine of \$7,500 • Costs of \$2,500
<i>Catalano (Re)</i>	<ul style="list-style-type: none"> • The Respondent admitted that he obtained, possessed, and in some instances, used to process transactions, 18 pre-signed account forms in respect of 9 clients. 	<ul style="list-style-type: none"> • The Hearing Panel approved the settlement agreement with the following terms: <ul style="list-style-type: none"> • Fine of \$5,000 • Costs of \$2,500
<i>Cheng (Re)</i>	<ul style="list-style-type: none"> • The Respondent admitted that he obtained, maintained, and in some instances, used to process transactions, 16 pre-signed account forms in respect of 10 clients. 	<ul style="list-style-type: none"> • The Hearing Panel approved the settlement agreement with the following terms: <ul style="list-style-type: none"> • Fine of \$5,000 • Costs of \$2,500
<i>Bandola (Re)</i>	<ul style="list-style-type: none"> • The Respondent admitted that she obtained, maintained, and used to process transactions, 17 pre-signed account forms in respect of 10 clients. 	<ul style="list-style-type: none"> • The Hearing Panel approved the settlement agreement with the following terms: <ul style="list-style-type: none"> • Fine of \$5,000 (payable by installment) • Costs of \$2,500 (shared jointly with another Respondent: Meunier)
<i>Kujala (Re)</i>	<ul style="list-style-type: none"> • The Respondent obtained, maintained, and used to process transactions, 27 letters of direction in respect of 8 clients. 	<ul style="list-style-type: none"> • The Hearing Panel approved the settlement agreement with the following terms: <ul style="list-style-type: none"> • Fine of \$5,000 • Costs of \$2,500

SUMMARY

59. Having regard to all of the foregoing factors, Staff submits that the penalties proposed in the Settlement Agreement are reasonable and proportionate and will deter the Respondent and other Approved Persons from obtaining, maintaining and using pre-signed accounts forms. Accordingly, acceptance of this Settlement Agreement will advance the public interest and the

objective of the MFDA to enhance investor protection and ensure high standards of conduct in the mutual fund industry.

CONCLUSION

60. Having regard to all the foregoing circumstances, the proposed penalty is reasonable, proportionate to the misconduct in question, and is in keeping with the MFDA's mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry by ensuring high standards of conduct by Members and Approved Persons.

61. The Settlement Agreement is accepted.

62. The formal Order is attached as Schedule "A" hereto.

DATED this 8th day of December, 2017.

"René P. Foisy"

The Hon. René P. Foisy
Chair

"Kathleen Jost"

Kathleen Jost
Industry Representative

"Greg Wiebe"

Greg Wiebe
Industry Representative

Schedule "A"

Order

File No. 2017108



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: Pragya Kakkar

ORDER

(ARISING FROM SETTLEMENT HEARING ON NOVEMBER 17, 2017)

WHEREAS on October 24, 2017, the Mutual Fund Dealers Association of Canada ("MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Pragya Kakkar ("Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated October 19, 2017 ("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 the Respondent:

- (a) between February 2016 and July 2016, obtained, possessed, and used to process transactions, 14 pre-signed account forms in respect of 6 clients, 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 \$7,500 pursuant to s. 24.1.1.(b) of MFDA By-law No. 1;

2. The Respondent shall pay costs in the amount of \$2,500 pursuant to s. 24.2 of MFDA By-law No. 1;

3. The payment by the Respondent of the Fine and Costs shall be made to and received by MFDA Staff in certified funds as follows:

- a) \$2,500 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;
- b) \$2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
- c) \$2,500 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;
- d) \$2,500 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;

4. If the Respondent fails to make any of the installment payments described above in paragraph 3:

- a) any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to the MFDA; and
- b) the Respondent shall be prohibited from conducting securities related business while in the employ of or associated with a Member of the MFDA until such time as the total amount outstanding of the Fine and Costs owed by the Respondent is paid to the MFDA, pursuant to s. 24.3.13(c) of MFDA By-law No. 1;

5. The Respondent shall in the future comply with MFDA Rule 2.1.1; and

6. 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 17th day of November, 2017.

“Rene P. Foisy”

The. Hon. Rene P. Foisy
Chair

“Kathleen Jost”

Kathleen Jost
Industry Representative

“Greg Wiebe”

Greg Wiebe
Industry Representative

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