



**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: Alim Kassam**

Heard: November 12, 2021 by electronic hearing in Vancouver, British Columbia

Decision: November 12, 2021

Reasons for Decision: January 18, 2022

**REASONS FOR DECISION**

Hearing Panel of the Pacific Regional Council:

Michael Carroll, Q.C.  
Elizabeth Chichka  
Barbara Fraser

Chair  
Industry Representative  
Industry Representative

Appearances:

Brendan Forbes	)	Enforcement Counsel for the Mutual Fund
	)	Dealers Association of Canada
	)	
	)	
Hunter Parsons	)	Counsel for Respondent
	)	
	)	
Alim Kassam	)	Respondent
	)	
	)	

## **Background**

1. On November 1<sup>st</sup>, 2021 Alim Kassam (the “Respondent”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) entered into a settlement agreement (the “Settlement Agreement”) in which the Respondent admitted that between November 8<sup>th</sup> and December 2018 in his capacity as a branch manager, he did not adequately query or report certain information that had been given to him to his employer Sun Life Financial Investment Services (Canada), a member of the MFDA (the “Member”).
2. The information that had been given to him was that an Approved Person for whom he was responsible for supervising, had solicited an individual to invest in a project that was not approved for sale by the Member or carried on for the account of the Member or through the facilities of the Member contrary to the Member’s policies and procedures. The Settlement Agreement is attached hereto as Appendix “A”.
3. The purpose of the present hearing is to determine whether the Settlement Agreement ought to be approved by this Panel.

## **Facts**

4. At all relevant times to this matter the Respondent conducted business in the city of Abbotsford and was registered in British Columbia as a dealing representative with the Member. From November 4<sup>th</sup>, 2010 until July 22<sup>nd</sup>, 2020, the Respondent was a branch manager of the Member.
5. The Member terminated the services of the Respondent on October 22<sup>nd</sup>, 2020 and he is no longer registered in any capacity in the securities industry.

## **Related Proceeding**

6. In a separate proceeding the MFDA issued a Notice of Hearing to Matthew Elliott de Haan (“de Haan”) on January 18<sup>th</sup> 2021 ( the “de Haan Proceeding”). De Haan was an Approved Person subject to the supervision of the Respondent at the branch of the Member.
7. On August 10<sup>th</sup> 2021 a hearing panel of the Pacific Regional Council of the MFDA ( File No. 202101) found that de Haan had engaged in misconduct by inter alia soliciting a client and others to invest in a bond guaranteeing a 100% return in a wind mill farm in Wyoming ( the “Unapproved Investment”). The panel found that the Unapproved Investment was not approved for

sale by the Member, was solicited by de Haan while acting for a third party company outside the Member, and that as a result de Haan had contravened the policies and procedures of the MFDA.

8. As a result, de Haan was prohibited from conducting securities related business while employed by or associated with an MFDA Member for a period of 5 years and was fined \$15,000. Not surprisingly the hearing panel classified the investment as an “extremely risky proposition” which “exposed prospective investors to a truly severe risk of harm”.

### **Respondent’s Failure to Adequately Query and Report Potential Misconduct**

9. The Member’s policies and procedures (“PPM”) provided that branch managers were responsible for supervising advisors to ensure their compliance with regulatory requirements and the PPM of the Member.

10. The PPM also prohibited the sale of investment products not approved for sale by the Member, sold for the account of the Member and processed through its facilities. Furthermore, they prohibited Approved Persons from engaging in outside business activities without the prior approval of the Member.

11. The PPM required branch managers to report to the Member all complaints alleging Approved Persons may be involved in securities related business outside the business of the Member.

12. On November 8<sup>th</sup> 2018 individual x advised the Respondent that one of the advisors for whom he was responsible had solicited individual x to invest in the Unapproved Investment. At that time individual x did not mention the name of the investment advisor.

13. On November 16<sup>th</sup> 2018 prior to taking any further steps relating to the matter the Respondent asked individual x to reveal the name of the advisor and on November 28<sup>th</sup> he was provided sufficient information to allow him to identify de Haan as the advisor. De Haan was an Approved Person registered as a dealing representative with the Member.

14. However, the Respondent did not take any further steps to investigate the matter or report the information he received from individual x to the Member. On November 27<sup>th</sup> de Haan resigned from the Member effective December 31<sup>st</sup>, 2018. The Respondent says he did not approach de Haan about what he had been told or report de Haan’s activities to the Member because de Haan had already submitted his resignation on November 27<sup>th</sup> the day before his identity had been

revealed to the Respondent. However, the Respondent admits that he was required to report to the Member the information he had received on November 8<sup>th</sup> from individual x. He further acknowledges that this obligation continued even after de Haan had submitted his resignation.

15. The subject matter of the disciplinary hearing of de Haan was the Unapproved Investment. At least one of de Haan's solicitations occurred after the Respondent learned but failed to report to the Member that de Haan was soliciting investments in securities outside of the Member.

### **Contraventions**

16. The Respondent admits that between November 8<sup>th</sup>, 2018 and December 2018, while acting as a branch manager of the Member he did not adequately query or report to the Member information that he had received that an Approved Person under his supervision had solicited an individual to purchase the Unapproved Investment.

### **Approved Person Reporting**

17. MFDA Rule 1.4(b) states as follows:

“Every Approved Person must report to the Member such information, in a manner and within such period of time, as may be prescribed by the Corporation from time to time relating to complaints, criminal, civil and other legal proceedings, regulatory proceedings, arbitrations, contraventions and potential contraventions of legal and regulatory requirements, disciplinary action by regulatory bodies, settlements and compensation paid to clients, registration or licensing by any regulatory body, bankruptcies, insolvencies, garnishments and related events.”

18. In addition section 4.1(b) of MFDA Policy No. 6 states as follows:

“ An Approved Person shall report the following events to his or her current Member in such detail as required by the Member, within 2 business days:

- (b) the Approved Person is aware of a complaint from any person, whether in writing or any other form, and with respect to him or himself, or any other Approved Person, involving allegations of ...
- (iii) engaging in securities related business outside of the Member;”

## **Branch Manager Responsibilities**

19. MFDA Rule 2.5.5(f) states that:

“The branch manager must

- i) supervise the activities of the Member at a branch or sub-branch that are directed towards ensuring compliance with the By-Laws, Rules and Policies and with applicable securities legislation by the Member and its Approved Persons; and
- ii) supervise the opening of new accounts and trading activity at the branch office.”

## **Requirement to Comply with Member Policies and Procedures**

20. MFDA Rule 2.5.1 requires Members to establish, implement and maintain policies and procedures to ensure the handling of its business in accordance with the By-Laws, Rules and Policies and with applicable securities legislation.

21. MFDA Rule 1.1.2 places a corresponding obligation on an Approved Person who participates in any securities related business of the Member to comply with the By-Laws and Rules as they relate to the Member or the Approved Person.

## **Failure to Report de Haan’s Conduct**

22. The failure to report de Haan’s conduct and to obtain direction from the Member concerning additional steps to be taken to investigate it and to prevent the continuation of such conduct was a contravention of MFDA Rules 1.4(b), 2.5.5(f), section 4.1 of MFDA Policy No.6, as well as the Member’s PPM and MFDA Rules 1.1.2 and 2.5.1.

*Gabrysz (Re)* [2019] Hearing Panel of the Central Regional Council, MFDA File No.201816, Decision dated December 18, 2019

*Dunlop (Re)* [2019] Hearing Panel of the Central Regional Council, MFDA File No.201759, Decision dated January 18, 2019

23. Previous panels have held that where an Approved Person has failed to report to the Member when they are aware of a complaint from any person with respect to themselves or another Approved Person involving allegations of engaging in securities related business outside of the Member they have contravened section 4.1(b)(iii) of MFDA Policy No. 6.

*Qi (Re)* [2014] Hearing Panel of the Central Regional Council, MFDA File No. 201253, Decision on Misconduct dated July 8, 2018

24. Prior MFDA hearing panels have found that when a branch manager fails to report alleged misconduct by a person under their supervision the branch manager has contravened MFDA Rule 2.5.5.

*Rihawi et al (Re)*, [2018] Hearing Panel of the Central Regional Council, MFDA File No.201727, Decision dated November 27, 2018 at para. 125

*Bihis (Re)*, [2018] Hearing Panel of the Central Regional Council, MFDA File No.201760, Decision dated October 26<sup>th</sup>, 2018 at paras. 5 & 8

25. Previous panels have also found that when a branch manager fails to report allegations related to securities related business outside of the member, the manager has contravened MFDA Rule 2.5.5.

*Dibbley (Re)* [2018] Hearing Panel of the Central Regional Council, MFDA File No.201655, Decision dated September 12<sup>th</sup>,2018 at paras.19&20

26. As a result the Panel finds that the Respondent has contravened MFDA Rules 1.1.2, 2.5.1, 1.4(b), 2.5.5(f), and section 4(1)(b)(iii) of MFDA Policy No. 6.

### **Terms of Settlement**

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

- a) He shall be prohibited from acting as a branch manager or in any supervisory capacity for a Member of the MFDA for a period of 6 months, effective from the date of the Order approving the Settlement Agreement, pursuant to section 24.1.1(f) of MFDA By-Law No.1;
- b) He shall successfully complete the branch manager's course offered by the Investment Funds Institute of Canada or another course offered by the Canadian Securities Institute or the Investment Funds Institute of Canada that is acceptable to the Staff of the MFDA prior to acting as a branch manager in the future, pursuant to section 24.1.1(f) of MFDA By-Law No.1;
- c) He shall pay a fine of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-Law No. 1;
- d) He 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;
- e) He shall in future comply with MFDA Rules 1.1.2, 2.5.1, 1.4(b), 2.5.5(f), and MFDA Policy No. 6; and
- f) He will attend in person on the date set for the Settlement Hearing.

## **Appropriateness of the Proposed Penalty**

28. We are well aware of the fact that pursuant to section 24.4.3 of MFDA By-Law No.1 we must either accept or reject the Settlement Agreement. We agree hearing panels should not interfere lightly in a negotiated settlement as long as the penalties agreed upon are within the reasonable range of appropriateness having regard to the conduct of a Respondent

*Jacobson (Re)*, Hearing Panel of the Prairie Regional Council, MFDA File No. 200712, Decision dated July 13<sup>th</sup>, 2007

## **General Considerations**

29. The following are some of the general considerations taken into account by previous hearing panels in considering the appropriateness of penalties proposed in a settlement agreement:

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

*Jacobson (Re) supra*, at para. 70

## **Specific Considerations**

30. Some of the specific factors relevant to the present case to be taken into account in determining whether the penalties proposed in the Settlement Agreement are appropriate are:

- a) the seriousness of the allegations proved;
- 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 the investors as a result of the Respondent's activities;
- f) the benefits received by the Respondent as a result of his or her activities;

- g) the need to deter others as well as those involved in the case under consideration from engaging in similar improper activities; and
- h) previous decisions made in similar circumstances.

*Headley (Re) [2006]*, Hearing Panel of the Pacific Regional Council, MFDA File No. 200509, Decision dated February 21<sup>st</sup>, 2006 at para. 85

## **Application of General and Specific Considerations to the Present Case**

### **Seriousness of the Misconduct**

31. It is a fundamental duty of a branch manager to ensure compliance. They are expected to be “a standard bearer for compliance”.

*Durotoye (Re) [2014]*, Hearing Panel of the Central Regional Council, MFDA File No. 201328, Decision dated May 20<sup>th</sup>, 2014 at para. 3

32. “The branch manager must be alert to ensure that the Member is made aware of anything transpiring at the branch that could give cause for concern and report it to the Member. When in doubt, the branch manager should report to the Member”.

*Dibbley (Re) supra* at para. 18

33. The Panel is satisfied that the Respondent’s conduct as branch manager of the Member in the circumstances of this case is serious. Although the Respondent made an inquiry to individual x to try to identify the advisor who was soliciting money for the Unapproved Investment he waited for 6 days before doing so. Furthermore, he failed to receive a response to his inquiry for a further 12 days and did not investigate further or convey that information to the Member in the interim. His stated reason was that de Haan had already tendered his resignation. This however did not diminish the importance of conducting a more thorough and timely investigation.

### **Past Conduct**

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

### **Respondent’s Experience and Level of Activity in the Capital Markets**

35. The Respondent was registered in British Columbia as a dealing representative with the Member and was designated by the Member as a branch manager on November 4<sup>th</sup>, 2010. At the time of his contraventions there can be no doubt that he was experienced in the capital markets.

### **Respondent's Recognition of the Seriousness of his Misconduct**

36. The Panel accepts the submissions of counsel for the MFDA that the Respondent has acknowledged the seriousness of his conduct and has demonstrated remorse. By entering into the Settlement Agreement he has also saved the MFDA the time, resources and expenses associated with a contested hearing.

### **Harm Caused by the Respondent's Conduct**

37. There is no evidence of any client financial losses resulting from the lack of supervision of de Haan or the latter's conduct. De Haan was unsuccessful in getting individuals to purchase the Unapproved Investment.

### **Benefits Received by the Respondent**

38. The Respondent did not receive any financial benefit resulting from his misconduct.

### **Deterrence**

39. The Panel is satisfied that the proposed penalties will deter the Respondent from engaging in similar conduct in the future and ensure general deterrence in the industry by reinforcing the message that branch managers who do not meet their oversight obligations over Approved Persons under their supervision will receive meaningful sanctions.

### **Previous Decisions in Similar Circumstances**

40. Counsel referred the Panel to the following decisions where the penalties imposed were similar to those in the Settlement Agreement.

*Dibley (Re) supra*

*Gentile & Brinson (Re) [2016]* Hearing Panel of the Atlantic Regional Council, MFDA File Nos. 201042 and 201344, Decision on Penalty dated March 22<sup>nd</sup>, 2016 at para. 206

*Bihis (Re), supra*

*Cunningham (Re)* Hearing Panel of the Central Regional Council, MFDA File No. 200906, Decision dated February 24<sup>th</sup>, 2010

41. Although in all of the above cases hearing panels imposed penalties within the range of those in the Settlement Agreement the one most similar is *Cunningham*. There the branch manager failed to employ adequate supervision to prevent an unregistered individual from engaging in

securities related business with clients of the Member. The penalties imposed were a permanent prohibition from acting as a branch manager, a fine of \$10,000 and costs of \$2,500. However, unlike the present case the Respondent was warned by multiple sources including the MFDA that the unregistered individual was conducting securities related business with clients of the Member and the conduct took place over a long period of time.

42. In the end having regard to the legal principles and the factors described above the Panel finds that the penalties set out in the Settlement Agreement are reasonable and it is hereby approved.

**DATED** this 18<sup>th</sup> day of January, 2022.

“Michael Carroll”

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Michael Carroll, Q.C.  
Chair

“Elizabeth Chichka”

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Elizabeth Chichka  
Industry Representative

“Barbara Fraser”

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Barbara Fraser  
Industry Representative



**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: Alim Kassam**

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**SETTLEMENT AGREEMENT**

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**I. INTRODUCTION**

1. Staff ("Staff") of the Mutual Fund Dealers Association of Canada (the "MFDA") and the Respondent, Alim Kassam (the "Respondent"), consent and agree to settlement of this matter by way of this agreement (the "Settlement Agreement").

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 a Hearing Panel pursuant to s. 24.1 of By-law No.1.

**II. JOINT SETTLEMENT RECOMMENDATION**

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 IX) 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. From October 20, 2010 to October 22, 2020, the Respondent was registered in British Columbia as a dealing representative with Sun Life Financial Investment Services (Canada) Inc. (the “Member”), a Member of the MFDA.

7. From November 4, 2010 to July 22, 2020, the Member designated the Respondent as a branch manager.

8. On October 22, 2020, the Member terminated the Respondent, and he is no longer registered in the securities industry in any capacity.

9. At all material times, the Respondent conducted business in the city of Abbotsford, British Columbia area.

#### **Related Proceeding Against Matthew Elliott de Haan**

10. In a separate but related proceeding, by Notice of Hearing issued on January 18, 2021, Staff commenced a disciplinary proceeding (the “De Haan Proceeding”) against Matthew Elliott de Haan (“de Haan”) [MFDA File No. 202101]. De Haan was an Approved Person of the Member who carried on business in the city of Abbotsford, British Columbia subject to the supervision of the Respondent who was the designated branch manager of de Haan’s branch office.

11. On August 10, 2021, a hearing of the De Haan Proceeding on the merits took place before a hearing panel of the Pacific Regional Council of the MFDA. At the conclusion of the hearing, the hearing panel found that de Haan had engaged in misconduct, including that:

- a) Between on or about October 29, 2018 and December 3, 2018, de Haan solicited a client and other individuals to invest in an investment that was not approved for sale by the Member, thereby engaging in securities related business that was not carried on for the account of the Member or through the facilities of the Member, contrary to the Member's policies and procedures and MFDA Rules 1.1.1, 1.1.2, 2.1.1, and 2.5.1; and
- b) Between on or about October 29, 2018 and December 3, 2018, de Haan engaged in an unapproved outside activity when he, acting on behalf of a third party company, solicited a client and other individuals to invest in an investment that was not approved for sale by the Member, contrary to the Member's policies and procedures and MFDA Rules 1.1.2, 1.3.2, 2.1.1, and 2.5.1.

12. As a consequence of that misconduct, the hearing panel prohibited de Haan from conducting securities related business while in the employ of, or in association with, any Member of the MFDA for a period of five (5) years and imposed a fine of \$15,000 on de Haan. In its Reasons for Decision dated September 27, 2021, the hearing panel described the investment product which de Haan had unsuccessfully promoted as an "extremely risky proposition" which "exposed prospective investors to a truly severe risk of harm".

13. As described in further detail below, on November 8, 2018, the Respondent was informed about the fact that de Haan was soliciting investments in a product outside of the Member but he failed to take appropriate supervisory action in response.

### **The Respondent's Failure to Adequately Query and Report Potential Misconduct**

14. At all material times, the Member's policies and procedures (the "PPM") provided that branch managers were responsible for supervising to ensure that advisors were complying with regulatory requirements and the policies and procedures of the Member.

15. At all material times, the PPM prohibited the sale of investment products by Approved Persons that were not approved for sale by the Member, sold for the account of the Member and processed through the facilities of the Member. In addition, the PPM prohibited Approved Persons from engaging in outside activities without the prior written approval of the Member.

16. At all material times, the PPM required branch managers to report to the Member all complaints alleging that Approved Persons may be involved in securities related business outside the Member or other undisclosed outside activities.

17. On November 8, 2018, individual X sent a message to the Respondent advising him that one of the advisors who the Respondent was responsible for supervising had solicited individual X to invest in "a private investment bond guaranteeing 100% returns for some wind farm in

Wyoming.” In his message to the Respondent, individual X did not name the person who solicited him to invest.

18. On November 10, 2018, the Respondent responded to the message sent by individual X and advised that he would “look into” the matter. At this time, the Respondent did not ask individual X to identify who had solicited him to invest in the private investment, nor did he report the information that he had received from individual X to the Member.

19. On November 16, 2018, the Respondent sent a further message to individual X inquiring as to the identity of the advisor who had solicited individual X to invest in the private investment.

20. On November 28, 2018, individual X responded to the Respondent’s inquiry and provided him with information which enabled the Respondent to identify that the individual who had solicited individual X to invest was de Haan, who at the time was an Approved Person registered as a dealing representative with the Member.

21. After receiving the information from individual X, the Respondent did not take any further steps to investigate the matter such as contacting de Haan to obtain further information about his solicitation of money for investment from individual X or from any other individuals nor did he report the information that he had received from individual X to the Member.

22. On November 27, 2018, de Haan resigned from the Member effective December 12, 2018. The Respondent states that he did not approach de Haan in respect of his solicitation of individual X or report de Haan’s activities to the Member because de Haan had already submitted his resignation to the Member. However, the Respondent acknowledges that he was required to report to the Member the information that he received on November 8, 2018 from individual X. The Respondent further acknowledges that this obligation continued to apply to him even after de Haan announced his resignation from the Member.

23. As noted above, an MFDA hearing panel found that de Haan engaged in misconduct which included attempts by de Haan to solicit a client and other individuals to invest in securities that had not been approved for sale by the Member and which were not being sold for the account of the Member or through the facilities of the Member. The subject-matter of the disciplinary proceeding against de Haan concerned the same product that individual X reported to the Respondent that de Haan was promoting. At least one of the attempts by de Haan to solicit investments in this unapproved product occurred after the Respondent learned, but failed to report

to the Member that an Approved Person under his supervision was soliciting investments in securities outside the Member.

24. In his capacity as branch manager, the Respondent ought to have reported to the Member the information that he received on November 8, 2018 from individual X. If he had done so, his report would have triggered an obligation of the Member to conduct a reasonable supervisory investigation into these activities, take steps to ensure that the Respondent ceased engaging in these activities, and report the alleged conduct to the MFDA in accordance with MFDA Rule 1.4(a) and MFDA Policy No. 6.

### **Additional Factors**

25. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above.

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

27. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources and expenses that would have otherwise been necessary to conduct a contested hearing of the allegations.

### **V. CONTRAVENTIONS**

28. The Respondent admits that between November 8, 2018 and December 2018, in his capacity as a branch manager, he did not adequately query or report to the Member information that he had received that an Approved Person who the Respondent was responsible for supervising had solicited an individual to purchase an investment outside the Member, contrary to the Member's policies and procedures, MFDA Rules 1.1.2, 2.5.1, 1.4(b) and 2.5.5(f) and MFDA Policy No. 6.

### **VI. TERMS OF SETTLEMENT**

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

- a) The Respondent shall be prohibited from acting as a branch manager or in any supervisory capacity for a Member of the MFDA for a period of six months, effective from the date of the Order, pursuant to section 24.1.1(f) of MFDA By-law No. 1;

- b) The Respondent shall successfully complete the branch manager's course offered by the Investment Funds Institute of Canada or another course offered by the Canadian Securities Institute or the Investment Funds Institute of Canada that is acceptable to Staff of the MFDA prior to acting as a branch manager in the future, pursuant to section 24.1.1(f) of MFDA By-law No. 1;
- c) The Respondent shall pay a fine in the amount of \$5,000 in certified funds upon acceptance of this Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-Law No. 1;
- d) The Respondent shall pay costs in the amount of \$5,000 in certified funds upon acceptance of this Settlement Agreement, pursuant to s. 24.2 of MFDA By-Law No 1;
- e) The Respondent shall in the future comply with MFDA Rules 1.1.2, 2.5.1, 1.4(b) and 2.5.5(f) and MFDA Policy No. 6; and
- f) The Respondent will attend in person, on the date set for the Settlement Hearing.

## **VII. STAFF COMMITMENT**

30. 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 described in Part IV 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 or contraventions that are not set out in Parts IV or 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**

31. 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](http://www.mfda.ca).

32. 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 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.

33. 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 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.

34. 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 him.

#### **IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT**

35. 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**

36. 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.

37. 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**

38. 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.

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

**XII. EXECUTION OF SETTLEMENT AGREEMENT**

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

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

**DATED** this 1<sup>st</sup> day of November, 2021.

“Alim Kassam”

\_\_\_\_\_  
Alim Kassam

“SK”

\_\_\_\_\_  
Witness – Signature

SK

\_\_\_\_\_  
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: Alim Kassam**

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**ORDER**

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**WHEREAS** on July 19, 2021, the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Hearing pursuant to section 24.4 of MFDA By-law No. 1 in respect of Alim Kassam (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 admissions of the Respondent that are set out in the Settlement Agreement, the Hearing Panel is of the opinion that between November 8, 2018 and December 2018, the Respondent, in his capacity as a branch manager, did not adequately query or report to the Member information that he had received that an Approved Person who the Respondent was responsible for supervising had solicited an individual to purchase an investment outside the Member, contrary to the Member's policies and procedures, MFDA Rules 1.1.2, 2.5.1, 1.4(b) and 2.5.5(f) and MFDA Policy No. 6.

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

1. The Respondent shall be prohibited from acting as a branch manager or in any supervisory capacity for a Member of the MFDA for a period of six months, effective from the date of the Order, pursuant to section 24.1.1(f) of MFDA By-law No. 1;
2. The Respondent shall successfully complete the branch manager's course offered by the Investment Funds Institute of Canada or another course offered by the Canadian Securities Institute or the Investment Funds Institute of Canada that is acceptable to Staff of the MFDA prior to acting as a branch manager in the future, pursuant to section 24.1.1(f) of MFDA By-law No. 1;
3. The Respondent shall pay a fine in the amount of \$5,000, in certified funds, pursuant to s. 24.1.1(b) of MFDA By-Law No. 1;
4. The Respondent shall pay costs in the amount of \$5,000, in certified funds, pursuant to s. 24.2 of MFDA By-Law No 1; and
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]