



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

**IN THE MATTER OF A DISCIPLINARY HEARING
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Christopher Martin Alfred Lee

Heard: June 6, 2019 in Toronto, Ontario
Decision: June 6, 2019
Reasons for Decision: September 3, 2019

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Frederick W Chenoweth
Jeff Page
Tim Pryor

Chair
Industry Representative
Industry Representative

Appearances:

Alan Melamud)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
)	
Christopher Martin Alfred Lee)	Respondent, by teleconference
)	
)	

Background

1. As appears from the Affidavit of Service of Dylan Scott, which was marked as Exhibit 2 in this proceeding, a copy of the Notice of Hearing dated February 15, 2019 (“Notice of Hearing”) was served on Christopher Martin Alfred Lee (“the Respondent”) on the 26th day of February, 2019 at 10:38 a.m., by way of personal service. Thereafter, on April 9th, 2019, in the City of Toronto, a first appearance in this matter was held by teleconference. At that time, it was ordered that a hearing on the merits of this matter would be held at the City of Toronto on June 6, 2019 before a Hearing Panel of the Central Regional Council.
2. Thereafter, and on June 4th, 2019, the Respondent filed an Amended Reply to the Notice of Hearing pursuant to which the Respondent admitted the facts alleged and the conclusions drawn by Staff of the Mutual Fund Dealers Association of Canada (the “Staff”) in paragraphs 1 to 25 of the Notice of Hearing.

The Contraventions

3. In the Notice of Hearing, it is alleged that:

Allegation #1: Commencing on at least July 28, 2012, the Respondent misappropriated or failed to account for, approximately \$1,363,850.00 solicited or received from at least 12 clients and 7 individuals, thereby failing to deal fairly, honestly and in good faith with clients, failing to observe high standards of ethics and conduct in the transaction of business, and engaging in business conduct or practice that is unbecoming or detrimental to the public interest, contrary to the Members’ Policies and Procedures and MFDA Rule 2.1.1, 2.10, and 1.1.2;

Allegation #2: Commencing in or about October 16th, 2018, the Respondent failed to cooperate with MFDA Staff’s investigation into his conduct contrary to s. 22.1 of MFDA By-Law #1.

4. Staff withdrew and has not advanced Allegation #2 in the Notice of Hearing.

The Facts

5. The relevant facts are those set out in paragraphs 1 to 17 of the Notice of Hearing, which is attached as Appendix "A" to these Reasons, subject to the following amendments to paragraphs 6, 13 and 14:

- a) The amount misappropriated was \$1,363,400; and
- b) The amount paid as redemptions was \$23,200.

Again, the Respondent, in his Amended Reply dated June 4, 2019, admitted the facts alleged in paragraphs 1 to 25 of the Notice of Hearing.

Discussion

6. The standard of proof in administrative proceedings, such as those instituted pursuant to MFDA By-law No. 1, is the civil standard of balance of probabilities. Since 2008, it has been settled law in Canada that "there is only one civil standard of proof at common law and that is proof on a balance of probabilities." The Supreme Court of Canada has rejected the notion that the seriousness of the allegations or consequences change the standard of proof. In all civil cases, the trial judge must scrutinize relevant evidence with care to determine whether it is more likely than not that an alleged event occurred. Evidence must always be sufficiently clear, convincing, and cogent to satisfy the balance of probabilities test, but there is no objective standard to measure sufficiency.

Brauns (Re), 2013 LNCMFDA 68 at para. 15.

F.H. v. McDougall, [2008] 3 S.C.R. 41 at paras 40, 45, 46 and 49.

7. Accordingly, Staff bears the burden of proving the allegations against the Respondent on a balance of probabilities.

Brauns (Re), supra at para. 15.

Section 24.1.1 of MFDA By-law No. 1.

8. As admitted by the Respondent, he misappropriated \$1,363,400 from 12 clients and 7 individuals (the "Investors"), by misleading them to invest in a special opportunity, which he

represented would provide a guaranteed annual return of 4% or 5%. The Respondent led the clients to believe that the special opportunity was a Member and/or London Life investment product, and in some instances produced false account statements reflecting the investment. The special opportunity did not exist, and the Respondent used the funds solicited to pay his personal expenses.

9. The standard of conduct codified by MFDA Rule 2.1.1 requires that Members and Approved Persons 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. The Rule is central to the MFDA mandate of enhancing investor protection and strengthening public confidence in the Canadian mutual fund industry.

MFDA Rule 2.1.1.

Breckenridge (Re), 2007 LNCMFDA 38 para. 71.

10. The misappropriation of client funds is antithetical to the standard of conduct. It is an egregious form of misconduct, which involves a significant breach of trust, causes serious harm to the clients and others affected, and shakes public confidence in the Canadian mutual fund industry. Accordingly, Hearing Panels have repeatedly found that the misappropriation or failure to account for client monies is a contravention of MFDA Rule 2.1.1.

Backer (Re), 2019 LNCMFDA 14 at paras. 55, 57, 70.

Ng (Re), 2016 LNCMFDA 81 at paras. 89, 106.

McIntosh (Re), 2013 LNCMFDA 58 at paras. 7, 12.

Piggou (Re), 2007 LNCMFDA 31 at para. 54.

11. The Respondent's conduct clearly contravened MFDA Rule 2.1.1. The Respondent misappropriated funds from the Investors by falsely inducing them to believe he was investing their money. In several instances, the Respondent arranged for the Investors to redeem existing investments to invest in the "special opportunity", resulting in deferred sales charges or other redemption fees and the loss of potential gains on the investments. The Respondent further concealed his misconduct, giving some of the Investors a false sense of security, by sending falsely manufactured statements.

12. The Member's policies and procedures required its Approved Persons to deal fairly, honestly, and in good faith with clients in the transaction of business, and to conduct business with the investing public solely based on a desire to promote the best interests of clients. The Respondent's misappropriation of funds from the Investors clearly contravened this requirement.

Exhibit 5, Affidavit of Lucy Alfenore, sworn May 31, 2019, para.4.

13. Rule 2.10 requires Members to establish and maintain written policies and procedures for dealing with clients and ensuring compliance with the Rules, By-laws and Policies of the MFDA and applicable securities regulation. Approved Persons have a corresponding obligation to comply with those policies and procedures pursuant to Rule 1.1.2. As stated by the Hearing Panel in *Franco (Re)*:

The obligation of Approved Persons to comply with the policies and procedures of the Member that they are registered with is a cornerstone of the self-regulatory system. When Approved Persons disregard those obligations, the Member's ability to supervise the conduct of such Approved Persons and protect the interests of clients and the public is undermined.

Franco (Re), 2011 LNCMFDA 55 at para. 38.

Frank (Re), 2015 LNCMFDA 75 at paras. 56-58.

MFDA Rule 2.10.

MFDA Rule 1.1.2.

14. Accordingly, the Respondent's conduct contravened MFDA Rules 2.10 and 1.1.2.

Penalty

15. Pursuant to s. 24.1.1(i) of MFDA By-law No. 1, if, in the opinion of a Hearing Panel, an Approved Person has failed to comply with the provisions of any By-law, Rule, or Policy of the MFDA, a Hearing Panel can impose any of the penalties set out in s. 24.1.1(a)-(f), including a permanent prohibition of the authority of the Approved Person to conduct securities related business and a fine, not exceeding \$5,000,000.

MFDA By-law No. 1, s, 24.1.1.

16. Pursuant to s. 24.2 of MFDA By-law No. 1, the Hearing Panel has the discretion to require a Member or Approved Person to pay the whole or part of the costs of the proceeding before the Hearing Panel and any investigations relating to that proceeding.

MFDA By-law No. 1, s. 24.2

17. The primary goal of securities regulation is the protection of investors and fostering public confidence in the capital markets and the securities industry. In *Tonnies (Re)*, the Hearing Panel recognized that its role when imposing sanctions is not the punishment of the Respondent, but rather restraining future misconduct in furtherance of these goals. The Hearing Panel stated:

The Ontario Securities Commission has set out succinctly its role, not dissimilar to the role of this Panel, in determining penalty in *Re Mithras Management Ltd. et al.* (1990), 13 O.S.C.B. 1600. The Commission stated at 1610:

... [T]he role of this Commission is to protect the public interest by removing from the capital markets - wholly or partially, permanently or temporarily as the circumstances may warrant - those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 of the Act. We are here to restrain, as best we can future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient.

Tonnies (Re), 2005 LNCMFDA 7 at para.45.

Pezim v. British Columbia (Superintendent of Brokers), [1994] 12 S.C.R. 557 at paras. 59, 68.

Breckenridge (Re), supra at para. 74.

18. The Hearing Panel agreed with Staff's Submissions that sanctions imposed by a Hearing Panel should therefore be protective and preventative to prevent likely future harm to the markets. To determine whether a sanction is appropriate, the Hearing Panel should consider:

- a) the protection of the investing public;
- b) the integrity of the securities markets;
- c) specific and general deterrence;
- d) the protection of the MFDA's membership; and

- e) the protection of the integrity of the MFDA's enforcement processes;
- f) the Sanction Guidelines of the MFDA.

Tonnies (Re), supra at paras. 44, 46.

Breckenridge (Re), supra at para.74.

19. Hearing Panels have also previously considered the following factors when determining whether a sanction 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.

Tonnies (Re), supra at para.48.

Breckenridge (Re), supra at para.77.

20. In respect of the factors considered in this particular case, the Panel was mindful that:

- 1. As found by the Hearing Panel in *Ng (Re)*, "misappropriation is among the most serious types of misconduct encountered by securities regulators. . ." The

Respondent was in a position of trust with his clients, which he exploited to misappropriate funds for his own use.

Ng (Re), supra at paras. 106-107.

2. This serious misconduct is further aggravated in this case, where the Respondent used his position of trust to arrange for the Investors to redeem existing investments, so they would have sufficient funds for him to misappropriate through the guise of the "special opportunity".
3. The Sanction Guidelines and MFDA Hearing Panels have identified the involvement of "vulnerable investors" and evidence of "premeditation" as aggravating factors. Thirteen of the Investors were over the age of 60, and therefore constituted vulnerable investors on account of their age. The Respondent's premeditation is evident from his use of two numbered companies to conceal his misconduct and the sheer scale of his misappropriation.

MFDA Sanction Guidelines, p. 3.

Desgroseilliers (Re), 2018 LNCMFDA 172 at para. 51.

Vandermey (Re), 2017 LNCMFDA 197 at para.33.

4. The Respondent has not previously been the subject of an MFDA disciplinary proceeding. However, given the seriousness of the Respondent's misconduct, this is not a significant mitigating factor.
5. The Hearing Panel is satisfied that the Respondent recognized the seriousness of his misconduct and has admitted his misconduct in his Amended Reply, therefore avoiding the necessity of a full hearing on the facts in a contested disciplinary hearing.
6. The Respondent benefitted from the receipt of at least \$1,386,600. While a portion of this was repaid to the clients and others, importantly, this was done solely to maintain the charade when an Investor requested a redemption.

7. The Respondent posed an ongoing serious risk to investors if he were permitted to continue to operate in the capital markets. The Respondent's misconduct is egregious.
8. The Respondent has caused significant damage to the integrity of the capital markets. The ability of the mutual fund dealers to facilitate the participation of the public in the capital markets, requires that investors trust mutual fund dealers with their money. The misappropriation of a client's and other funds undermines this trust, harming the mutual fund industry and the capital markets more broadly.

Ayala (Re), 2017 LNCMFDA 23T at para. 11.

Result

21. For all the above reasons, the Panel concluded that the contraventions to which the Respondent has admitted are extremely serious. Accordingly, the following penalties were imposed upon the Respondent:

- a) The Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to s. 24.1.1(e) of MFDA By-law No.1;
- b) The Respondent shall pay a fine in the amount of \$1,463,400, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- c) The Respondent shall pay costs in the amount of \$13,100, pursuant to s. 24.2 of MFDA By-law No. 1; and
- d) If at any time a non-party to this proceeding, with the exception of the body set out in s. 23 of MFDA By-law No. 1, request 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 Rule 1.8(2) and (5) of the MFDA *Rules of Procedure*.

DATED this 3rd day of September, 2019.

“Frederick W Chenoweth”

Frederick W Chenoweth
Chair

“Jeffery Page”

Jeffery Page
Industry Representative

“Tim Pryor”

Tim Pryor
Industry Representative

DM 694022

Appendix “A”

Notice of Hearing

File No. 201914



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

**IN THE MATTER OF A DISCIPLINARY HEARING
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: Christopher Martin Alfred Lee

NOTICE OF HEARING

NOTICE is hereby given that a first appearance will take place by teleconference before a hearing panel of the Central Regional Council (“Hearing Panel”) of the Mutual Fund Dealers Association of Canada (“MFDA”) in the hearing room at the MFDA offices, 121 King Street West, Suite 1000, Toronto, Ontario on April 9, 2019 at 9:00 a.m. (Eastern), or as soon thereafter as the hearing can be held, concerning a disciplinary proceeding commenced by the MFDA against Christopher Martin Alfred Lee (“Respondent”).

DATED this 15th day of February, 2019.

“Michelle Pong”

Michelle Pong
Director, Regional Councils

Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Telephone: 416-945-5134
Facsimile: 416-361-9781
Email: corporatesecretary@mfd.ca

NOTICE is further given that the MFDA alleges the following violations of the By-laws, Rules or Policies of the MFDA:

Allegation #1: Commencing on at least July 28, 2012, the Respondent misappropriated or failed to account for, approximately \$1,363,850 solicited or received from at least twelve clients and seven individuals, thereby failing to deal fairly, honestly, and in good faith with clients, failing to observe high standards of ethics and conduct in the transaction of business, and engaging in business conduct or practice that is unbecoming or detrimental to the public interest, contrary to the Member's policies and procedures and MFDA Rules 2.1.1, 2.10, and 1.1.2.

Allegation #2: Commencing on or about October 16, 2018, the Respondent failed to cooperate with MFDA Staff's investigation into his conduct, contrary to section 22.1 of MFDA By-law No. 1.

PARTICULARS

NOTICE is further given that the following is a summary of the facts alleged and intended to be relied upon by the MFDA at the hearing:

Registration History

1. From December 13, 2000 to October 13, 2017, the Respondent was registered in Ontario as a mutual fund salesperson (now known as a dealing representative)¹ with Quadrus Investment Services Ltd. (the "Member"), a Member of the MFDA.
2. On October 13, 2017, the Respondent resigned from the Member.
3. At all material times, the Respondent was licensed to sell insurance products and was contracted as an insurance advisor with London Life Insurance Company ("London Life").
4. At all material times, the Respondent carried on business in the Nepean, Ontario area as part of Moore Wrinn Financial Group Inc. ("Moore Wrinn").

¹ In September 2009, the registration category Mutual Fund Salesperson changed to "Dealing Representative" when National Instrument 31-103 came into force.

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

The Respondent Misappropriated or Failed to Account for Monies

6. Commencing on at least July 28, 2012, the Respondent misappropriated, or failed to account for, approximately \$1,363,850 solicited or received from at least twelve clients and seven individuals (the other individuals were insurance clients of the Respondent) (collectively, the “Investors”).

7. When meeting with the Investors to review their mutual fund and/or insurance investments, the Respondent advised the Investors of a special investment opportunity that he represented had a guaranteed rate of return of 4% or 5% annually. To invest in the special opportunity, the Respondent had the investors write a cheque or obtain a bank draft payable to one of two corporations, 2332244 Ontario Inc. or 8616574 Canada Inc. (the “Numbered Companies”), which the Respondent had incorporated.

8. Where the Investors did not have sufficient cash available to make an investment, the Respondent arranged for the Investors to redeem existing mutual fund or insurance investments and provide a post-dated cheque or bank draft to transfer the monies to the special opportunity after the redemptions settled in the investors’ bank accounts. In several instances, the investors incurred deferred sales charges or other fees to redeem their existing investments.

9. While the Respondent typically had the Investors make payments to one of the Numbered Companies, in two instances the Respondent obtained bank drafts from the Investors payable to him personally, in one instance the Respondent obtained a bank draft payable to the Receiver General which the Respondent used to pay his taxes, and in one other instance the Respondent received cash directly from an Investor.

10. In all cases, the Respondent represented to the Investors that the funds they were providing were being invested in the special opportunity, when in fact the Respondent used the monies to pay his personal expenses.

11. From time to time, the Respondent provided the Investors with a Moore Wrinn Investment Summary, in which he identified the fictitious investments in the special opportunity including the purported growth of the fictitious investments.

12. The Respondent led the Investors to believe that the special opportunity investment was a Member and/or London Life investment product.

13. In the limited instances when an Investor requested to redeem their investment in the special opportunity, the Respondent obtained the funds for the redemptions from funds misappropriated from other Investors. In total, the Respondent repaid \$22,750 to Investors.

14. The Respondent solicited at least \$1,386,600 from clients and individuals, paid \$22,750 purportedly as redemptions of the special opportunity, and misappropriated or failed to account for at least \$1,363,850 of the monies provided to him by the clients and individuals.

15. The Respondent did not disclose to the Member and it was otherwise not aware that the Respondent had any involvement with the Numbered Companies or that clients were providing monies to the Numbered Companies or the Respondent personally.

16. The Member was also not aware that the Respondent solicited clients or individuals to invest in any off-book investments.

17. By engaging in the conduct described above, the Respondent misappropriated, or failed to account for, approximately \$1,363,850 solicited or received from at least twelve clients and seven individuals, thereby failing to deal fairly, honestly, and in good faith with clients, failing to observe high standards of ethics and conduct in the transaction of business, and engaging in business conduct or practice that is unbecoming and detrimental to the public interest, contrary to the Member's policies and procedures and MFDA Rules 2.1.1, 2.10, and 1.1.2..

Failure to Provide Requested Documents

18. On November 20, 2017, MFDA Staff commenced a review of the Respondent's conduct in response to a report on the Member Event Tracking System relating to the events described above.

19. On October 9 and 10, 2018, the Respondent attended an interview by MFDA Staff. During the interview, the Respondent agreed to provide various information and documents in connection with MFDA Staff's investigation.

20. On October 16, 2018, MFDA Staff sent a letter to the Respondent by regular mail and e-mail requesting the information and documents the Respondent had agreed to provide.

21. The Respondent failed to respond to the letter.

22. On November 12, 2018, MFDA Staff sent a follow-up e-mail to the Respondent again requesting the information and documents identified in the October 16th letter.

23. Notwithstanding that the Respondent was aware of the November 12th e-mail, the Respondent failed to respond.

24. On November 27, 2018, MFDA Staff sent a further follow-up letter to the Respondent by process server, advising the Respondent that if he did not provide the requested information and documents he could be subject to a disciplinary proceeding for failing to cooperate. After two attempts to deliver the letter, the process server left the letter in the Respondent's mailbox on December 7, 2018.

25. The Respondent did not respond to MFDA Staff's letter.

26. The Respondent's conduct impaired MFDA Staff's ability to determine the full nature and extent of his activities.

27. By engaging in the conduct described above, the Respondent failed to cooperate with MFDA Staff's investigation into his conduct, contrary to section 22.1 of MFDA By-law No. 1.

NOTICE is further given that the Respondent shall be entitled to appear and be heard and be represented by counsel or agent at the hearing and to make submissions, present evidence and call, examine and cross-examine witnesses.

NOTICE is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;
- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- a) a reprimand;
- b) a fine not exceeding the greater of:
 - (i) \$5,000,000.00 per offence; and
 - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
- c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;
- d) revocation of the authority of such person to conduct securities related business;
- e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time; and
- f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel.

NOTICE is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

NOTICE is further given that the Respondent must **serve a Reply** on Enforcement Counsel and **file a Reply** with the Office of the Corporate Secretary within twenty days from the date of service of this Notice of Hearing.

A **Reply** shall be **served** upon Enforcement Counsel at:

Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Attention: Alan Melamud
Email: amelamud@mfd.ca

A **Reply** shall be **filed** by:

- a) providing four copies of the **Reply** to the Office of the Corporate Secretary by personal delivery, mail or courier to:

The Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Attention: Office of the Corporate Secretary; or

- b) transmitting one electronic copy of the **Reply** to the Office of the Corporate Secretary by e-mail at corporatesecretary@mfd.ca.

A **Reply** may either:

- (i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

NOTICE is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

NOTICE is further given that if the Respondent fails:

- a) to **serve** and **file** a **Reply**; or

- b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-laws.

END.