



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: Sungsoo (Steve) Lee

NOTICE OF HEARING

NOTICE is hereby given that a first appearance will take place by teleconference before a hearing panel of the Pacific Regional Council (“Hearing Panel”) of the Mutual Fund Dealers Association of Canada (“MFDA”) on March 2, 2022 at 11:00 a.m. (Pacific), or as soon thereafter as the appearance can be held, concerning a disciplinary proceeding commenced by the MFDA against Sungsoo (Steve) Lee (“Respondent”). Members of the public who would like to listen to the teleconference should contact hearings@mfd.ca to obtain particulars.

DATED this 22nd day of December, 2021.

“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
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 in October 2020, the Respondent failed to cooperate with an investigation into his conduct by MFDA Staff, 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 on or about December 2, 2002 to December 5, 2018, the Respondent was registered in British Columbia as a dealing representative with BMO Investments Inc. (the “Member”), a Member of the MFDA.
2. On December 5, 2018, the Member terminated the Respondent’s registration.
3. The Respondent is no longer registered in the securities industry in any capacity.
4. At all material times, the Respondent carried on business in the Burnaby, British Columbia area.

Allegation #1 – Failure to Cooperate

5. In January 2019, the Member reported allegations to the MFDA concerning the Respondent and other Approved Persons registered with the Member. After receiving the information, Staff of the MFDA (“Staff”) commenced an investigation into the conduct of the Respondent and other Approved Persons in order to determine, among other things, the following: (i) whether the Respondent had instructed other Approved Persons to open client accounts, complete Know-Your-Client information for clients, and process transactions in the accounts of clients without those Approved Persons obtaining instructions directly from those clients in order to confirm the information received, confirm the elements of the transactions, and ensure that the transactions were suitable and authorized by the client; (ii) whether the Respondent provided pre-signed forms to the Approved Persons for them to complete and use to process transactions; and (iii) whether arrangements and business dealings between the Respondent and the other Approved Persons complied with regulatory requirements and the policies and procedures of the Member.

6. As described in further detail below, Staff contacted the Respondent multiple times to arrange his attendance at an interview to answer questions relevant to the subject-matter of Staff's investigation, however, the Respondent failed to attend an interview with Staff.
7. On July 21, 2020, Staff emailed a letter to the Respondent (the "July 21, 2020 Letter") requesting that the Respondent contact Staff within ten business days, by August 4, 2021, in order to schedule an interview. The Respondent did not respond to the July 21, 2020 Letter.
8. On August 13, 2020, Staff still had not received a response from the Respondent to the July 21, 2020 Letter, so Staff sent a second email to the Respondent and requested that the Respondent contact Staff by August 18, 2020 to inform Staff on which dates, between October 12 and 30, 2020, he would be available to attend an interview.
9. On August 17, 2020, the Respondent emailed Staff stating that he would "try to make [him]self available for an interview either on 27th or 28th Oct for now".
10. On August 20, 2020, Staff advised the Respondent that his interview had been scheduled to take place on October 28, 2020 by teleconference.
11. On September 10, 2020, counsel for the Respondent confirmed to Staff that both he and the Respondent were available on October 28, 2020.
12. On September 24, 2020, counsel for the Respondent wrote Staff stating, among other things, that the Respondent's first language was not English and that it was easier for him to deal in his first language should he be required to attend an interview.
13. On October 5, 2020, Staff sent a letter to counsel for the Respondent requesting that he confirm his availability to attend an electronic interview on October 28, 2020. Staff also stated that it was willing to retain a language interpreter for the interview.
14. On October 16, 2020, counsel for the Respondent informed Staff that he did not have instructions with regard to the Respondent's attendance at an interview.
15. On October 26, 2020, Staff reminded counsel for the Respondent that the Respondent's electronic interview was scheduled to take place on October 28, 2020. Staff also informed counsel for the Respondent that it had retained a language interpreter for the interview. Staff requested that

counsel for the Respondent confirm by the end of the day that he and the Respondent would attend the interview.

16. On October 26, 2020, counsel for the Respondent sent a letter to Staff stating, among other things, that the Respondent would not attend the interview for medical reasons.

17. On November 2, 2020, Staff requested that counsel for the Respondent provide a doctor's note detailing why the Respondent was unable to attend an interview.

18. On November 10, 2020, counsel for the Respondent provided a note from a doctor, dated October 26, 2020, which did not detail why the Respondent would be unable to attend an interview.

19. On November 13, 2020, Staff sent a letter to counsel for the Respondent requesting that he confirm the Respondent's attendance at an interview on November 19, 2020, November 25, 2020, or November 26, 2020; or provide a medical note outlining the reason why the Respondent would be unable to attend an interview.

20. In December 2020, counsel for the Respondent provided two additional medical notes to Staff which did not detail why the Respondent would be unable to attend an interview.

21. None of the medical notes the Respondent provided (i) identified the Respondent's medical condition; (ii) specified a date when the Respondent was expected to be able to attend an interview with Staff; or (iii) provided an explanation as to why the Respondent could not attend such an interview. Staff repeatedly requested that the Respondent provide information and documentation to address the shortcomings of the medical notes, but the Respondent did not do so.

22. On multiple occasions, in November 2020, December 2020, and February 2021, Staff wrote to counsel for the Respondent offering to accommodate the Respondent's medical condition and informing the Respondent that Staff was willing to consider any accommodations which the Respondent felt would be necessary to facilitate the Respondent's participation in an interview with Staff. The Respondent did not identify accommodations which would facilitate his participation in an interview.

23. The Respondent failed or refused to attend or schedule an interview to answer questions concerning the matters under investigation.

24. As a result of the Respondent's failure to cooperate with Staff's investigation, Staff has been unable to determine the full nature and extent of the conduct under investigation.

25. By virtue of the foregoing, the Respondent failed to cooperate with an investigation into his conduct by Staff, 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
650 West Georgia Street, Suite 1220
Vancouver, BC V6B 4N9
Attention: Zaid Sayeed
Email: zsayeed@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.

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