



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: Roland Mah

Heard: January 9, 2019 in Edmonton, Alberta

Decision: January 9, 2019

Reasons for Decision: February 1, 2019

REASONS FOR DECISION

Hearing Panel of the Prairie Regional Council:

Shelley L. Miller, QC
Adam Dudley
Greg Wiebe

Chair
Industry Representative
Industry Representative

Appearances:

Lyla Simon)	Enforcement Counsel for the Mutual Fund
)	Dealers Association of Canada
)	
)	
Matt Lafléche)	Counsel for the Respondent
)	
)	
Roland Mah)	Respondent, in person
)	

Background

1. This matter concerns a Settlement Hearing under Section 24.4 of By-Law No. 1 of the Mutual Fund Dealers Association of Canada (the "MFDA"). The hearing was held on January 9, 2019. The full Settlement Agreement dated November 20, 2018 entered into between the Respondent Roland Mah (the "Respondent") and MFDA Staff on behalf of MFDA is attached as Appendix "A" to these reasons and its relevant provisions will not be repeated in detail here.
2. The Respondent has been registered in Alberta as a mutual fund salesperson (now known as a dealing representative) since November 1994.
3. Under the Settlement Agreement, the Respondent has admitted that between June 1, 2013 and April 30, 2016, he:
 - a) learned, but failed to record on Member account forms, accurate Know-Your-Client information for clients; and
 - b) failed in his capacity as Branch Manager to supervise two Approved Persons to ensure they recorded accurate Know-Your-Client information for clients on Member account forms,contrary to MFDA Rules 2.2.1 (b) and 2.5.5(f).

Terms of Settlement

4. Under the terms of the Settlement Agreement, the Respondent agreed to the following:
 - a) a fine of \$5,000;
 - b) commitment to compliance in future with MFDA Rules 2.2.1(b) and 2.5.5. (f),and
 - c) attendance in person on the date of the Settlement Hearing.
5. At the conclusion of the January 9, 2019 hearing, this Hearing Panel accepted the proposed Settlement Agreement with reasons to follow, which are now set out below.

Agreed Facts

Registration History

6. From November 1994 to the present, the Respondent has been registered in Alberta and, from 2016 to the present, in British Columbia, as a dealing representative with PFSL Investments Canada Ltd. (“PFSL” or the “Member”), a Member of the MFDA.

7. From November 27, 2009 to October 11, 2016, the Respondent also acted as a Branch Manager. On a voluntary basis, the Respondent agreed to relinquish his role as Branch Manager pending the resolution of the matters described herein.

8. At all material times, the Respondent carried on business from a branch located in Edmonton, Alberta (the “Branch”).

Background

9. From June 13, 2016 to July 14, 2016, MFDA Sales Compliance staff conducted a sales compliance examination (“Examination”) of the Member’s head office and four of the Member’s branch locations, one of which was the Branch. The Examination covered the period from June 1, 2013 to April 30, 2016.

10. During the Examination, MFDA Sales Compliance staff identified concerns regarding uniformity of Know-Your-Client (“KYC”) documentation for the Respondent’s client accounts, as well as for two Approved Persons under the Respondent’s supervision.

Inaccurate Recording of KYC Information

11. At all material times, the Respondent conducted detailed meetings with his clients, in order to gather their KYC information, including:

- using the Member’s standard KYC form to collect the client’s information;
- noting the client’s age and number of years they had to reach their investment goals;
- discussing with the client their knowledge and experience of investing in general, investing in mutual funds, and their understanding of the behaviour and risks associated with different mutual funds;

- asking the client when they expected to need a significant portion of their investment;
- determining the client’s risk tolerance and how much of a decline they would be willing to accept; and
- explaining that mutual fund investments may fluctuate or decline in value.

12. In or about 2016, when MFDA Sales Compliance staff conducted the Examination, the Respondent serviced approximately 420 clients.

13. The Examination identified that the Respondent completed the KYC information for the his clients’ accounts as follows:

- approximately 94% of the clients’ accounts were recorded as a “high” risk tolerance; and
- approximately 94% of the clients’ accounts were recorded as “aggressive growth” (83%) or “growth” (11%).

14. At the material time, the Respondent supervised two other Approved Persons at the Branch, GH and SK, both of whom had similar uniformity concerns regarding their clients’ accounts, as follows:

GH:

- approximately 92% of the clients’ accounts were recorded as a “high” risk tolerance; and
- approximately 90% of the clients’ accounts were recorded as “aggressive growth” (69%) or “growth” (21%).

SK:

- approximately 96% of the clients’ accounts were recorded as a “high” risk tolerance; and
- approximately 100% of the clients’ accounts were recorded as “aggressive growth” (86%) or “growth” (14%).

15. The Respondent states that he recorded the clients' KYC information identifying them as being high risk and growth-oriented in order to demonstrate a "worst case scenario" to the clients, i.e. that mutual funds might fluctuate or decline in value.

16. At all material times, notwithstanding that the Respondent portrayed his clients as being high risk and growth-oriented on their KYC documentation, most of his clients were invested in a 'growth' portfolio, consisting of a mix of fixed income and equity based mutual funds, consistent with a 'medium risk' tolerance and a 'moderate growth' investment goal. The clients' account holdings were consistent with the clients' actual KYC investment objectives.

17. The Respondent states that there was no intention on his part to deceive or mislead any clients or PFSL as to the manner in which his clients were being portrayed in the KYC documentation.

Additional Factors

Remediation of Client Accounts

18. In or about August 2016, the Member's Chief Compliance Officer and Senior Vice President – Operations conducted a 4-5 hour meeting with the Respondent in order to reiterate the processes required to be used when collecting and documenting client KYC information and how to properly use the required Member forms.

19. From about August 2016 to February 2018, the Member implemented a remediation process in order to update KYC information for the Respondent's affected clients, as well as those of Approved Persons GH and SK, and to rebalance the clients' accounts, where necessary.

20. A Senior National Sales Director of the Member conducted meetings with 50 of the Respondent's clients in order to obtain and correctly record KYC information for those clients. The Respondent was in attendance and observing at each of these meetings, and then carried on meeting with the balance of his clients to carry out the same process. The Member's head office monitored the results of the entire remediation process.

21. At the conclusion of the remediation process, the Respondent had met with 95% of his clients. 87% (of the 95%) of his clients were now recorded as having a 'moderate growth' objective

and a 'medium risk' objective, and the clients' investments (as recommended by the Respondent) reflected the clients' KYC information. Only 11 of the Respondent's 420 clients (holding less than 1% of the Respondent's assets under management) made changes to their account holdings during the remediation process.

22. A similar remediation process was undertaken for the clients of GH and SK, resulting in 81% of GH's clients being recorded as having a 'moderate growth' objective and a 'medium risk' objective, and 99% of SK's clients being recorded as having a 'moderate growth' objective and a 'medium risk' objective.

23. The Respondent paid an amount of \$20,000 to assist with the completion of the remediation process.

24. This Hearing Panel concluded that the allegations admitted by the Respondent had been proven and constitute misconduct in contravention of the By-law and MFDA Rules. It then turned to the question of the appropriateness of the proposed penalty as set out in the Settlement Agreement.

Analysis

25. This Hearing Panel has the responsibility to either accept the settlement agreement or reject it, as stated by the MFDA Hearing Panel in *Sterling Mutuals Inc. (Re)*, LNCMFDA 16 at para. 37 citing the I.D.A. Ontario District Council in *Milewski (Re)* [1999] IDACD No. 17 at p. 10, Ontario District Council Decision dated July 28, 1999.

26. This Hearing Panel is also mindful of the effectiveness of Settlement Agreements in fulfilling the objective of the regulator as noted in the reasons for decision in *British Columbia Securities Commission v Seifert*, 2007 BCCA 484 at para. 31.

27. Given the joint submissions in support of a monetary penalty that, at first blush, appeared modest in respect of the misconduct admitted by the Respondent, this Hearing Panel requested further information from Enforcement Counsel as to the steps taken during its investigation and the remediation process undertaken by the Member and Respondent to satisfy MFDA that the public interest was effectively served in the instant case.

28. The parties consented to disclosure of additional information to the Hearing Panel to establish that the MFDA obtained a high level of confidence that the remediation process undertaken was thorough and effective in restoring the practices of the Respondent to the necessary level of compliance with MFDA Rules.

29. Enforcement Counsel cited the following cases in support of acceptance of the Settlement Agreement:

- a) *Curtis (Re)*, 2017 LNCMFDA 288, Reasons for Decision of the MFDA Central Regional Council dated December 7, 2017.
- b) *Fricke*, 2015 LNCMFDA 18, Reasons for Decision of the MFDA Central Regional Council dated March 23, 2015.
- c) *Roundthwaite*, 2012 LNCMFDA 60, Reasons for Decision of the Central Regional Council July 30, 2012.

30. MFDA Enforcement Counsel conceded that the foregoing cases were not strictly comparable either in their factual matrices or as to the sanctions, to the case at hand but were proffered to give an indication of the likely upper range of sanction for the conduct in question.

31. Enforcement Counsel also noted that updated Sanction Guidelines had been provided in support of the joint submission as to penalty.

32. Accordingly, this Hearing Panel took careful account of the foregoing, as well as what counsel for the parties submitted were the significant mitigating factors in the present case.

33. In the result, this Hearing Panel found that the misconduct of the Respondent was very serious, however the mitigating factors in this case included the following:

- the Respondent had maintained detailed and accurate notes on file as to the clients' goals and personal financial circumstances
- he promptly acknowledged his failure to properly document the client information on the KYC forms
- he actively engaged in a program to inform himself of the proper methods of accurately documenting the correct client information on the KYC forms

- he participated with the Member in numerous client meetings to review and verify the clients' goals and personal financial circumstances
- no clients were harmed as a result of the Respondent's misconduct,
- the fulsome client review process resulted in clients changing their portfolio allocation in only a very small percentage of instances.
- there was no evidence that the Respondent received any financial benefit from engaging in the misconduct at issue in this proceeding,
- he had not previously been the subject of MFDA disciplinary proceedings,
- by entering into the Settlement Agreement, he accepted responsibility for his misconduct and avoided the necessity of the MFDA incurring the time and expense of conducting a full disciplinary proceeding.

34. This Hearing Panel also noted that in the instant case, new Sanction Guidelines dated November 15, 2018 were in effect and applicable. While a hearing panel is not bound by Sanction Guidelines, nevertheless the express statements in paragraphs 12 and 13 were noted. These statements indicated that hearing panels should consider whether the Respondent voluntarily implemented measures to avoid recurrence of the misconduct and whether the Respondent made voluntary acts of compensation, restitution or disgorgement to remedy the misconduct, were noted. This consideration includes whether the Respondent's corrective action was timely and whether efforts were made to pay full compensation.

35. This Hearing Panel accepted that the facts of the instant case were novel, and warranted particular consideration of a sanction that would serve both the purpose of specific and general deterrence.

36. In the instant case, since there was no financial loss to any of the Respondent's clients, specific compensation, restitution or disgorgement was not an available option. However the fact that the Respondent voluntarily contributed the sum of \$20,000 to help defray the expense of a fulsome review by the Member of a high number of client files clearly demonstrates to this Hearing Panel that the Respondent fully recognized and demonstrated remorse for the consequences of his misconduct as well as the sincere desire to remediate his practice and to restore the confidence of the Member in his future compliance with the MFDA Rules.

37. This Hearing Panel considered that distinguishing factors in this case from previous case authorities were the facts that the Respondent had maintained detailed and accurate notes of all the client's goals and personal financial circumstances, which demonstrated that he well understood the spirit behind the MFDA Rules, and that he acknowledged by his conduct the seriousness of the breaches, even if it might be characterized as a documentary slip rather than an intentional violation.

38. Having regard to all the foregoing, this Hearing Panel is satisfied on the particular facts of this case, that a monetary fine of \$5,000 and no costs award, is in line with the previous case authorities, the new Sanction Guidelines and the principles of general and specific deterrence.

39. Moreover, this Hearing Panel is satisfied that the Settlement Agreement is in the public interest, is reasonable and proportionate, and will foster public confidence in the integrity of the Canadian capital markets and the industry and, accordingly, approves its terms.

40. This Hearing Panel thanks Counsel for their helpful presentations and their cooperation during the hearing.

DATED this 1st day of February, 2019.

“Shelley L. Miller”

Shelley L. Miller, QC

Chair

“Adam Dudley”

Adam Dudley

Industry Representative

“Greg Wiebe”

Greg Wiebe

Industry Representative

DM 659166



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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: Roland Mah

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (the "MFDA") will announce that it proposes to hold a hearing to consider whether, pursuant to s. 24.4 of MFDA By-law No. 1, a hearing panel of the MFDA Prairie Regional Council (the "Hearing Panel") should accept the settlement agreement entered into between Staff of the MFDA ("Staff") and Roland Mah ("Respondent") (the "Settlement Agreement").

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent's activities. The investigation disclosed that the Respondent had engaged in activity for which the Respondent could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No. 1.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees

to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule “A”.

4. Staff and the Respondent agree that the terms of this Settlement Agreement, including the attached Schedule “A”, will be released to the public only if and when the Settlement Agreement is accepted by the Hearing Panel.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV herein for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to Part XI) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

IV. AGREED FACTS

Registration History

6. From November 1994 to the present, the Respondent has been registered in Alberta and, from 2016 to the present, in British Columbia, as a dealing representative with PFSL Investments Canada Ltd. (“PFSL” or the “Member”), a Member of the MFDA.

7. From November 27, 2009 to October 11, 2016, the Respondent also acted as a Branch Manager. On a voluntary basis, the Respondent agreed to relinquish his role as Branch Manager pending the resolution of the matters described herein.

8. At all material times, the Respondent carried on business from a branch located in Edmonton, Alberta (the “Branch”).

Background

9. From June 13, 2016 to July 14, 2016, MFDA Sales Compliance staff conducted a sales compliance examination (“Examination”) of the Member’s head office and four of the Member’s branch locations, one of which was the Branch. The Examination covered the period from June 1, 2013 to April 30, 2016.

10. During the Examination, MFDA Sales Compliance staff identified concerns regarding uniformity of Know-Your-Client (“KYC”) documentation for the Respondent’s client accounts, as well as for two Approved Persons under the Respondent’s supervision.

Inaccurate Recording of KYC Information

11. At all material times, the Respondent conducted detailed meetings with his clients, in order to gather their KYC information, including:

- using the Member’s standard KYC form to collect the client’s information;
- noting the client’s age and number of years they had to reach their investment goals;
- discussing with the client their knowledge and experience of investing in general, investing in mutual funds, and their understanding of the behavior and risks associated with different mutual funds;
- asking the client when they expected to need a significant portion of their investment;
- determining the client’s risk tolerance and how much of a decline they would be willing to accept; and
- explaining that mutual fund investments may fluctuate or decline in value.

12. In or about 2016, when MFDA Sales Compliance staff conducted the Examination, the Respondent serviced approximately 420 clients.

13. The Examination identified that the Respondent completed the KYC information for the his clients’ accounts as follows:

- approximately 94% of the clients’ accounts were recorded as a “high” risk tolerance; and
- approximately 94% of the clients’ accounts were recorded as a “aggressive growth” (83%) or “growth” (11%).

14. At the material time, the Respondent supervised two other Approved Persons at the Branch, GH and SK, both of whom had similar uniformity concerns regarding their clients’ accounts, as follows:

GH:

- approximately 92% of the clients' accounts were recorded as a "high" risk tolerance; and
- approximately 90% of the clients' accounts were recorded as a "aggressive growth" (69%) or "growth" (21%).

SK:

- approximately 96% of the clients' accounts were recorded as a "high" risk tolerance; and
- approximately 100% of the clients' accounts were recorded as a "aggressive growth" (86%) or "growth" (14%).

15. The Respondent states that he recorded the clients' KYC information identifying them as being high risk and growth-oriented in order to demonstrate a "worst case scenario" to the clients, i.e. that mutual funds might fluctuate or decline in value.

16. At all material times, notwithstanding that the Respondent portrayed his clients as being high risk and growth-oriented on their KYC documentation, most of his clients were invested in a 'growth' portfolio, consisting of a mix of fixed income and equity based mutual funds, consistent with a 'medium risk' tolerance and a 'moderate growth' investment goal. The clients' account holdings were consistent with the clients' actual KYC investment objectives.

17. The Respondent states that there was no intention on his part to deceive or mislead any clients or PFSL as to the manner in which his clients were being portrayed in the KYC documentation.

V. ADDITIONAL FACTORS

Remediation of Client Accounts

18. In or about August 2016, the Member's Chief Compliance Officer and Senior Vice President – Operations conducted a 4-5 hour meeting with the Respondent in order to reiterate the

processes required to be used when collecting and documenting client KYC information and how to properly use the required Member forms.

19. From about August 2016 to February 2018, the Member implemented a remediation process in order to update KYC information for the Respondent's affected clients, as well as those of Approved Persons GH and SK, and to rebalance the clients' accounts, where necessary.

20. A Senior National Sales Director of the Member conducted meetings with 50 of the Respondent's clients in order to obtain and correctly record KYC information for those clients. The Respondent was in attendance and observing at each of these meetings, and then carried on meeting with the balance of his clients to carry out the same process. The Member's head office monitored the results of the entire remediation process.

21. At the conclusion of the remediation process, the Respondent had met with 95% of his clients. 87% (of the 95%) of his clients were now recorded as having a 'moderate growth' objective and a 'medium risk' objective, and the clients' investments (as recommended by the Respondent) reflected the clients' KYC information. Only 11 of the Respondent's 420 clients (holding less than 1% of the Respondent's assets under management) made changes to their account holdings during the remediation process.

22. A similar remediation process was undertaken for the clients of GH and SK, resulting in 81% of GH's clients being recorded as having a 'moderate growth' objective and a 'medium risk' objective, and 99% of SK's clients being recorded as having a 'moderate growth' objective and a 'medium risk' objective

23. The Respondent paid an amount of \$20,000 to assist with the completion of the remediation process.

VI. MITIGATING FACTORS

24. The Respondent has no previous MFDA disciplinary history.

25. None of the Respondent's clients suffered any losses as a result of the Respondent's conduct described herein.

26. Neither the Member nor Staff has received any client complaints regarding the matters described herein.

27. The Respondent cooperated fully with Staff's investigation, and sought an early resolution in this matter.

28. The Respondent gained no financial or other benefit as a result of the conduct described herein.

29. As noted above, the Respondent paid an amount of \$20,000 to assist with the completion of the remediation process.

VII. CONTRAVENTIONS

30. The Respondent admits that from June 1, 2013 to April 30, 2016, he:

- a) learned, but failed to record on Member account forms, accurate Know-Your-Client information for clients; and
- b) failed in his capacity as Branch Manager to supervise two Approved Persons to ensure they recorded accurate Know-Your-Client information for clients on Member account forms,

contrary to MFDA Rules 2.2.1(b) and 2.5.5(f).

VIII. TERMS OF SETTLEMENT

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

- a) the Respondent shall pay a fine in the amount of \$5,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- b) the Respondent shall in the future comply with MFDA Rules 2.2.1(b) and 2.5.5(f); and
- c) the Respondent will attend in person on the date set for the Settlement Hearing.

IX. STAFF COMMITMENT

32. 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 the contraventions described in this Settlement Agreement, subject to the provisions of Part XI below. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any facts and contraventions that are not set out in this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions, 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.

X. PROCEDURE FOR APPROVAL OF SETTLEMENT

33. Acceptance of this Settlement Agreement shall be sought at a hearing of the Prairie 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.

34. 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 its his rights to a full hearing, a review hearing before the Board of Directors of the MFDA or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction.

35. 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 MFDA 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.

36. 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.

XI. FAILURE TO HONOUR SETTLEMENT AGREEMENT

37. 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.

38. If the Respondent does not comply with the attached Order, Staff and the Respondent shall have the right to appear before the Hearing Panel for additional guidance on fulfilling the terms of the Order.

XII. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

39. 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.

40. 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.

XIII. DISCLOSURE OF AGREEMENT

41. 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.

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

XIV. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 20th day of November, 2018.

“Roland Mah”

Roland Mah

“JM”

Witness – Signature

JM

Witness – Print Name

“Shaun Devlin”

Shaun Devlin
Staff of the MFDA
Per: Shaun Devlin
Senior Vice-President,
Member Regulation – Enforcement

Schedule “A”

**Order
File No.**



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: Roland Mah

ORDER

WHEREAS on November 20, 2018, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Settlement Hearing pursuant to s. 24.4 of MFDA By-law No. 1 in respect of Roland Mah (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated November 20, 2018 (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 the Hearing Panel is of the opinion that the Respondent, from June 1, 2013 to April 30, 2016:

- a) learned, but failed to record on Member account forms, accurate Know-Your-Client information for clients; and

- b) failed in his capacity as Branch Manager to supervise two Approved Persons to ensure they recorded accurate Know-Your-Client information for clients on Member account forms,

contrary to MFDA Rules 2.2.1(b) and 2.5.5(f).

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

1. 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*; and

2. the Respondent shall pay a fine in the amount of \$5,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1.

DATED this [day] day of [month], 20[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]