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: Mir Amer Raza

Heard: January 29, 2021 by electronic hearing in Toronto, Ontario
Decision: January 29, 2021
Reasons for Decision: April 14, 2021

REASONS FOR DECISION

Hearing Panel of the Central Regional Council:

Frederick H. Webber	Chair
Guenther W. K. Kleberg	Industry Representative
Robert C. White	Industry Representative

Appearances:

Alan Melamud	)	Enforcement Counsel for the Mutual Fund Dealers Association of Canada
Mir Amer Raza	)	Respondent

I. SETTLEMENT AGREEMENT

1. The Mutual Fund Dealers Association of Canada (the "MFDA") entered into a settlement agreement with the Respondent dated November 27, 2020, a copy of which is attached hereto as Appendix "A" (the "Settlement Agreement").

2. In the Settlement Agreement, the Respondent admitted that between April 20, 2018 and December 31, 2018, he engaged in personal financial dealings with client MA by soliciting and accepting $2,500 from the client, which gave rise to a conflict of interest that he failed to disclose to his Member and address by the exercise of responsible business judgment influenced only by the best interests of the client, contrary to the Member's policies and procedures and MFDA Rules 2.1.4, 1.1.2, 2.5.1, and 2.1.1.

3. In the Settlement Agreement the parties agreed to the following sanctions:

a) a fine in the amount of $2,500, payable in instalments; and
b) costs in the amount of $2,500, payable in instalments.

4. MFDA Staff submitted that acceptance of this Settlement Agreement would advance the public interest. The Respondent has admitted to his misconduct, and the sanction proposed is reasonable and proportionate having regard to the nature and extent of the Respondent's misconduct and all of the circumstances.

5. The relevant facts are set out in Part IV of the Settlement Agreement.

II. ISSUES

6. In a settlement hearing, there are two issues the Hearing Panel must determine:

a) Do the facts admitted by the Respondent constitute misconduct in contravention of the MFDA By-law, Rules, or Policies, or provincial securities legislation?
b) Does the sanction agreed to in the Settlement Agreement fall within a reasonable range of appropriateness, bearing in mind the nature and extent of the misconduct and all of the circumstances?

III. GENERAL PRINCIPLES REGARDING SETTLEMENT HEARINGS

7. Settlements play an important and necessary role in facilitating the MFDA's principal goal of protecting the investing public. An administrative tribunal cannot adjudicate every matter that comes before it. Settlements provide an efficient and effective way for the MFDA to proscribe conduct that is harmful to the public, while providing a flexible remedy that can be tailored to address the interests of the MFDA and respondents. As stated in British *Columbia (Securities Commission) v. Seifert*, [2006] B.C.J. No. 225 at paras. 48- 49 (S.C.), aff'd, [2007] B.C.J. No. 2186 at para. 31 (C.A):

a) But the power to settle is necessary if the Commission is going to carry out its purpose under s. 4(2) and its enforcement mandate under ss. 161 and 162 in an effective and efficient manner. Administrative tribunals do not and cannot adjudicate on every matter that commences before them; and

b) Settlements assist the Commission to ensure that its overriding objective, the protection of the public, is met. Settlements proscribe activities that are harmful to the public. In so doing, they are effective in accomplishing the purposes of the statute. They provide means of reaching a flexible remedy that is tailored to address the interests of both the Commission and the person under investigation. Enforcement is rarely a concern because the settlement is voluntary. A person who is the subject of an investigation retains the option of refusing to settle and proceeding to a hearing. Settlements are also efficient. Both parties can forego the time and expense of a hearing.

8. Accordingly, it is generally accepted that Hearing Panels will not lightly interfere in a settlement agreement reached between the MFDA and a respondent. Section 24.4.3 of MFDA By-Law No. 1 provides that Hearing Panels may only accept or reject a settlement in its entirety. A Hearing Panel's role is therefore not to determine *the correct* sanction, but instead to ascertain whether the sanction agreed to between the MFDA and a respondent falls within the reasonable range of appropriateness.

9. In a contested Hearing, the Hearing Panel attempts to determine the correct penalty. In a Settlement Hearing, the Hearing Panel takes into account the settlement process itself and the fact that the parties have agreed to the penalties set out in the Settlement Agreement…**a Hearing Panel should not interfere lightly in a negotiated settlement and should not reject a Settlement**

Agreement unless it views the penalty as clearly falling outside a reasonable range of appropriateness. As has been said: "The settlement process is one of negotiation and compromise and the penalty imposed following a settlement will often be less onerous than one imposed following a Hearing where similar findings are made."

> *Professional Investments (Kingston) Inc. (Re)*, 2009 LNCMFDA 9 at para. 13. [Emphasis added.]
>
> *Ho (Re)*, 2018 LNCMFDA 21 at paras. 24-26

10. When determining whether it would be appropriate to accept a proposed settlement, MFDA hearing panels have taken into account the following considerations:

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

> *Sterling Mutuals Inc. (Re)*, 2016 LNCMFDA 77 at para. 13.

IV. DO THE FACTS ADMITTED CONSTITUTE MISCONDUCT

a) Borrowing from Client

11. The Respondent admitted that he borrowed $2,500 from a client. Hearing panels have repeatedly held that borrowing money from a client gives rise to a conflict of interest under MFDA Rule 2.1.4. As stated by the Hearing Panel in *Gaunt (Re)*:

> A conflict of interest occurs when one party to a matter advances, uses or pursues his own interests in dealing with another person, to whom he has an obligation of dealing fairly, to the detriment of that other person or to his own advantage rather than the person to whom he owes the duty of fairness.

Gaunt (Re), 2013 LNCMFDA 63 at para. 47.

See also, *Piper (Re)*, 2018 LNCMFDA 31 at para. 12

12. MFDA Rule 2.1.4 requires that an Approved Person disclose an actual or potential conflict to the Member, and together, the Member and the Approved Person address the conflict by the exercise of responsible business judgment influenced only by the best interests of the client. The Respondent, however, did not disclose the borrowing from his client to his Member.

13. Further, as stated in MFDA Member Regulation Notice 0047 dated October 3, 2005, the exercise of reasonable business judgment requires the prohibition of certain arrangements, such as borrowing from clients.

b) Policies & Procedures

14. The Member's policies and procedures prohibited its Approved Persons from borrowing monies from clients. Rule 2.5.1 requires Members to establish policies and procedures to ensure the handling of their business is in compliance with the By-laws, Rules, and Policies of the MFDA and applicable securities legislation. 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,

c) Standard of Conduct

15. Borrowing from clients has also been held to be a contravention of the standard of conduct set out in MFDA Rule 2.1.1. The Respondent clearly failed to observe high standards of ethics and conduct in the transaction of business and engaged in business conduct or practice which was unbecoming or detrimental to the public interests by borrowing monies from his client.

Piper (Re), *supra* at para. 12

Rosicki (Re) (2019), MFDA File No. 201826 at paras. 63, 67, and 70.

16. Accordingly, by borrowing $2,500 from his client, it is this Hearing Panel's decision that the Respondent's conduct contravened MFDA Rules 2.1.4, 1.1.2, 2.5.1, and 2.1.1.

V. IS THE AGREED SANCTION APPROPRIATE?

17. The primary goal of securities regulation is the protection of the investing public. Disciplinary sanctions imposed in a securities regulatory context are protective and preventative, intended to be exercised to prevent likely future harm.

> *Pezim v. British Columbia (Superintendent of Brokers)*, [1994] 2 S.C.R. 557 at para. 59
>
> *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 at para. 42.

18. Hearing Panels have taken into account the following factors when evaluating whether the penalties proposed should be accepted:

a) the seriousness of the contraventions admitted to by the Respondent or 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.

> *Sterling Mutuals Inc. (Re)*, *supra* at para. 14

19. The Hearing Panel also referred to the MFDA's Sanction Guidelines (the "Guidelines"). The Guidelines are not mandatory or binding on the Hearing Panel, but provide a summary of the key factors upon which discretion can be exercised consistently and fairly. Many of the same

factors that are listed above, which have been considered in previous decisions of MFDA Hearing Panels, are also reflected and described in the Guidelines.

VI. APPLICATION TO THIS CASE

20. Of the factors listed above, the following are particularly pertinent to this case:

Seriousness of the Misconduct

21. Borrowing from a client is serious misconduct. The Respondent used his position of trust with a client to obtain a loan at a time he was experiencing financial difficulties in order to pay personal expenses. The Respondent clearly chose to put his interests ahead of his responsibilities to his client and put the client's monies at risk.

Secord (Re), 2020 LNCMFDA 36 at para. 18

Haylock (Re), 2013 LNCMFDA 37 at para. 7

Cuthbert (Re), 2011 LNCMFDA 19 at para. 26.

Respondent's Past Conduct

22. The Respondent has not previously been the subject of a MFDA disciplinary proceeding. This is a mitigating factor.

Recognition by the Respondent of the Seriousness of the Misconduct

23. The MFDA stated that it is satisfied that the Respondent recognizes the seriousness of his misconduct. By entering into the Settlement Agreement, the Respondent has accepted responsibility for his actions and avoided the time and expense of a full disciplinary hearing.

Harm Suffered by Investors and Benefits Received by the Respondent

24. Although the Respondent was not initially able to repay the client and gave cheques that were returned "NSF", the Respondent did ultimately repay the loan in full. Accordingly, there is no evidence of client loss.

25. The Respondent did benefit from receipt of the loan and was able to pay his personal expenses.

Deterrence

26. Deterrence is intended to capture both specific deterrence of the wrongdoer as well as general deterrence of other participants in the capital markets in order to protect investors. As stated by the Supreme Court of Canada in *Cartaway Resources Corp. (Re)*,

> The *Oxford English Dictionary* (2nd ed. 1989), vol. XII, defines "preventive" as "[t]hat anticipates in order to ward against; precautionary; that keeps from coming or taking place; that acts as a hindrance or obstacle". A penalty that is meant to deter generally is a penalty that is designed to keep an occurrence from happening; it discourages similar wrongdoing in others. In a word, a general deterrent is preventative. It is therefore reasonable to consider general deterrence as a factor, albeit not the only one, in imposing a sanction under s. 162. The respective importance of general deterrence as a factor will vary according to the breach of the Act and the circumstances of the person charged with breaching the Act.
>
> *Cartaway Resources Inc. (Re)*, 2004 SCC 26 at para. 61

27. The Hearing Panel accepts that the proposed sanction will act as a general deterrent and reinforce the message that personal financial dealings with a client are not tolerated by the MFDA and the mutual fund industry.

28. The proposed sanction will also act as a specific deterrent against the Respondent engaging in such misconduct in the future should he again become registered. The proposed fine reflects the fact that the Respondent repaid the money he borrowed and the fact that the Respondent has demonstrated an inability to pay additional monies towards a fine or costs, a factor that the Guidelines say may be taken into account.

Previous Decisions Made in Similar Cases

29. The proposed penalties are within the reasonable range of appropriateness with regard to other decisions by MFDA hearing panels in similar circumstances:

Case	Facts	Penalties
Manalastas (Re) [1]	Between January 2017 and November 2017, the Respondent borrowed a total of $6,000 from two clients, contrary to the policies and procedures of the Member and MFDA Rules 2.1.1, 2.1.4, 2.5.1 and 1.1.2; Commencing July 27, 2018, the Respondent failed to cooperate with MFDA Staff's investigation into his conduct, contrary to section 22 of MFDA By-law No. 1.	**Uncontested** • $50,000 Fine for Failure to Cooperate • $6,000 Fine for Borrowing • $7,500 Costs
Secord (Re) [2]	Commencing in July 2015, the Respondent engaged in personal financial dealings by borrowing $7,000 from client DH, which gave rise to a conflict or potential conflict of interest that the Respondent failed to disclose to the Member or address by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to the Member's policies and procedures, and MFDA Rules 2.1.4, 1.1.2, 2.5.1, and 2.1.1. In March 2016, the Respondent misled the Member by falsely denying that she had borrowed money from a client, thereby interfering with the ability of the Member to supervise the Respondent's activities, failing to observe high standards and conduct in the transaction of business, and engaging in conduct that is unbecoming and detrimental to the public interest, contrary to MFDA Rules 2.1.1, 1.1.2 and 2.5.1.	**Facts Admitted** • 18 Months Prohibition • $7,000 Fine • $5,000 Costs
Haylock (Re) [3]	Between February 17, 2010 and November 25, 2011, the Respondent engaged in personal financial dealings with client MB by borrowing approximately $2,200 from client MB, thereby giving rise to a conflict or potential conflict of interest between the interests of the Respondent and the interests of client MB, which the Respondent failed to ensure was addressed by the exercise of responsible business judgment influenced only by the best interests of client MB, contrary to MFDA Rule 2.1.4.	**Settlement** • $3,000 fine (installments) • $2,000 costs
Cuthbert (Re) [4]	Between July 2, 2006 and June 2008, the Respondent engaged in personal financial dealings with client EB by borrowing from her on two occasions a total of approximately $14,300, which the Respondent failed to repay in accordance with the terms of two promissory notes, thereby giving rise to a conflict or potential conflict of interest which the Respondent failed to address by the exercise of responsible business judgment influenced only by the best interests of the client, contrary to MFDA Rules 2.1.4 and 2.1.1. Commencing on or about July 2, 2006, the Respondent failed to comply with the policies and procedures of the Member in respect of conflicts of interest and borrowing from clients by borrowing monies from client EB on two occasions, contrary to MFDA Rules 1.1.2 and 2.5.1, and MFDA Rule 2.1.1	**Contested** • Prohibition until the later of 9 months or repayment of client • $5,000 Fine • $2,500 Costs

[1] *Manalastas (Re)*, 2020 LNCMFDA 92
[2] *Secord (Re)*, *supra*
[3] *Haylock (Re)*, *supra*.
[4] *Cuthbert (Re)*, *supra*.

VII. CONCLUSION

30. Having regard to all of the foregoing considerations and the facts of this case, including the Respondent's admission of his contravention of the MFDA Rules, it is this Hearing Panel's decision that the proposed sanction is reasonable and proportionate, and that it is in the public interest for the Hearing Panel to accept the settlement.

DATED this 14th day of April, 2021.

"Frederick H. Webber"
Frederick H. Webber
Chair

"Guenther W. K. Kleberg"
Guenther W. K. Kleberg
Industry Representative

"Robert C. White"
Robert C. White
Industry Representative

Appendix "A"

Settlement Agreement

File No. 202066

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: Mir Amer Raza

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 section 24.4 of By-law No. 1, a hearing panel of the Central Regional Council (the "Hearing Panel") of the MFDA should accept the settlement agreement (the "Settlement Agreement") entered into between Staff of the MFDA ("Staff") and the Respondent, Mir Amer Raza (the "Respondent").

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 section 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. ACKNOWLEDGMENT

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

a) Registration History

6. From June 24, 2011 to November 21, 2018, the Respondent was registered in Ontario as a dealing representative with CIBC Securities Inc. (the "Member"), a Member of the MFDA.

7. On November 21, 2018, the Member terminated the Respondent, in part, as a result of the conduct that is addressed in this Settlement Agreement.

8. At all material times, the Respondent conducted business in the Orangeville, Ontario area.

b) Personal Financial Dealing

9. At all material times, the Member's policies and procedures prohibited Approved Persons from borrowing money from clients.

10. At all material times, client MA was a client of the Member whose investment accounts were serviced by the Respondent.

11. In or around April 2018, the Respondent states that he was experiencing financial difficulties. At that time, client MA attended at the Respondent's branch to discuss his mutual fund investments with the Respondent. During their meeting, the Respondent told client MA about his financial difficulties. To help the Respondent, client MA agreed to provide the Respondent with a $2,500 loan.

12. On April 20, 2018, in order to provide the Respondent with monies for the loan, client MA borrowed $2,500 from his personal line of credit and electronically transferred the monies to the Respondent. On the same date, the Respondent provided client MA with a cheque for $2,500, post-dated to June 14, 2018, as future repayment of the monies the Respondent borrowed from client MA.

13. The Respondent used the borrowed monies to pay personal expenses.

14. The Respondent did not disclose to the Member that he borrowed monies from client MA.

15. On or about June 14, 2018, client MA tried to deposit the $2,500 cheque from the Respondent, but it was returned by the bank due to insufficient funds.

16. The Respondent met with client MA, and provided him with a cheque for $1,100, dated June 26, 2018, and told client MA that he would repay the balance of the loan with cash.

17. When client MA tried to deposit the $1,100 cheque from the Respondent, it was returned by the bank due to insufficient funds.

18. Following the return of the second cheque, the Respondent made cash payments to client MA over the following months, and by late 2018, the Respondent had repaid the full amount of $2,500 to client MA.

19. The Respondent's solicitation and acceptance of a loan from client MA contravened the Member's policies and gave rise to a conflict of interest. The Respondent did not disclose the conflict of interest to the Member and otherwise ensure that the conflict was addressed by the exercise of responsible business judgment influenced only by the best interests of the client.

Additional Factors

20. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing on the allegations.

21. The Respondent states that he has limited financial means and is unable to pay additional monies towards a fine or costs. As a result of his limited financial means, the Respondent is only able to pay the fine and costs agreed upon in this Settlement Agreement by way of instalments. MFDA Staff have received evidence from the Respondent which corroborates the Respondent's statement.

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

V. CONTRAVENTIONS

23. The Respondent admits that between April 20, 2018 and December 31, 2018, the Respondent engaged in personal financial dealings with client MA by soliciting and accepting $2,500 from the client, which gave rise to a conflict of interest that he failed to disclose to the Member and address by the exercise of responsible business judgment influenced only by the best interests of the client, contrary to the Member's policies and procedures and MFDA Rules 2.1.4, 1.1.2, 2.5.1, and 2.1.1.

VI. TERMS OF SETTLEMENT

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

a) the Respondent shall pay a fine of $2,500 in certified funds, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

b) the Respondent shall pay costs of $2,500 in certified funds, pursuant to section 24.2 of MFDA By-law No. 1;

c) the payment by the Respondent of the fine and costs shall be made to and received by Staff in certified funds as follows:

i. $1,000 (costs) upon acceptance of the Settlement Agreement by the Hearing Panel;

ii. $400 (costs) on or before the last business day of the 1st month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;

iii. $400 (costs) on or before the last business day of the 2nd month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;

iv. $400 (costs) on or before the last business day of the 3rd month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;

v. $300 (costs) and $100 (fine) on or before the last business day of the 4th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;

vi. $400 (fine) on or before the last business day of the 5th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel; and

vii. $400 (fine) on or before the last business day of the 6th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;

viii. $400 (fine) on or before the last business day of the 7th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;

ix. $400 (fine) on or before the last business day of the 8th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel;

x. $400 (fine) on or before the last business day of the 9th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel; and

xi. $400 (fine) on or before the last business day of the 10th month following the date of the acceptance of the Settlement Agreement by the Hearing Panel; and

d) the Respondent shall in the future comply with MFDA Rules 2.1.4, 1.1.2, 2.5.1, and 2.1.1; and

e) the Respondent will attend in person or by teleconference, on the date set for the Settlement Hearing.

VII. STAFF COMMITMENT

25. 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 contraventions described in Part V 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 contraventions that are not set out in Part V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the contraventions set out in Part 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

26. Acceptance of this Settlement Agreement shall be sought at a hearing of the Central 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.

27. 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 his 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.

28. 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 section 24.1.1 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with section 24.5 of By-law No. 1.

29. 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.

30. 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.

IX. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

31. 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.

32. 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.

X. DISCLOSURE OF AGREEMENT

33. 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.

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

XI. EXECUTION OF ETTLEMENT AGREEMENT

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

36. An electronic copy of any signature shall be effective as an original signature.

DATED this 27th day of November, 2020.

"Mir Amer Raza"
Mir Amer Raza

"MF"
Witness – Signature

MF
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: Mir Amer Raza

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of MFDA By-law No. 1 in respect of Mir Amer Raza (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 sections 20 and 24.1 of MFDA By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that the Respondent on or about April 20, 2018, engaged in personal financial dealings with a client by soliciting and accepting $2,500 from a client, contrary to the Member's policies and procedures and MFDA Rules 2.1.4, 1.1.2, 2.5.1, and 2.1.1.

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

1. The Respondent shall pay a fine in the amount of $2,500 in certified funds, pursuant to section 24.1.1(b) of MFDA By-law No. 1.

2. The Respondent shall pay costs in the amount of $2,500 in certified funds, pursuant to section 24.2 of MFDA By-law No. 1.

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

a) $1,000 (costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
b) $400 (costs) on or before [Date];
c) $400 (costs) on or before [Date];
d) $400 (costs) on or before [Date];
e) $300 (costs) $100 (fine) on or before [Date];
f) $400 (fine) on or before [Date];
g) $400 (fine) on or before [Date];
h) $400 (fine) on or before [Date];
i) $400 (fine) on or before [Date];
j) $400 (fine) on or before [Date]; and
k) $400 (fine) on or before [Date];

4. The Respondent shall in the future comply with MFDA Rules 2.1.4, 1.1.2, 2.5.1, and 2.1.1; 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]

DM 809004