



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: Muhamad Asghar Sadiq

ORDER

(ARISING FROM THE PENALTY HEARING ON NOVEMBER 2, 2022)

WHEREAS on September 14, 2021, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of By-law No. 1 (the “Notice of Hearing”) in respect of a disciplinary proceeding commenced against Muhamad Asghar Sadiq (the “Respondent”) which shall take place before a hearing panel of the Central Regional Council (the “Hearing Panel”);

AND WHEREAS in accordance with s. 19.13 of MFDA By-Law No. 1, the first appearance in this hearing was held by teleconference before a public representative of the Central Regional Council of the MFDA (the “Chair of the Hearing Panel”) on November 22, 2021;

AND WHEREAS the Hearing on the Merits in this matter was held on August 16, 2022 and November 2, 2022 was held before the Hearing Panel;

AND WHEREAS the Respondent did not file a Reply in this proceeding, did not attend the Hearing, was not represented by counsel at the Hearing, and did not otherwise participate in the Hearing;

AND WHEREAS the Hearing Panel considered the evidence filed by and the submissions of Staff;

AND WHEREAS the Hearing Panel is of the opinion that the Respondent:

- a) between March 2011 and October 2016, failed to use due diligence to learn and accurately record or intentionally misrepresented the essential facts relative to at least 11 clients, contrary to the Member's policies and procedures and MFDA Rules 2.2.1, 2.1.1, 2.5.1, and 1.1.2;
- b) between August 2014 and June 2015, submitted supporting documents to the Member in connection with loan applications of at least 4 clients, which he knew or ought to have known contained false, incorrect, or misleading information, contrary to MFDA Rule 2.1.1;
- c) between March 2011 and July 2015, failed to ensure that the leveraged investment strategy and the underlying investments that he recommended and implemented in the accounts of at least 10 clients were suitable for the clients, in keeping with the clients' risk tolerances, investment knowledge, and ability to withstand the potential costs and investment losses, contrary to MFDA Rules 2.2.1 and 2.1.1;
- d) between March 2011 and July 2015, misrepresented, failed to fully and adequately explain, or omitted to explain the risks, benefits, material assumptions, costs, and features of the leveraged investment strategy and the underlying investments that he recommended and implemented in the accounts of at least 11 clients, thereby failing to ensure that the leverage investment strategy and underlying investments were suitable for the clients, contrary to MFDA Rules 2.2.1 and 2.1.1;
- e) between August 2014 and August 2018, while registered as a dealing representative of a Member, engaged in securities related business on behalf of another Member that he was not registered with, contrary to MFDA Rules 1.1.1 and 2.1.1;
- f) between October 2016 and August 2018, misappropriated or failed to account for monies received from 7 clients and 1 individual, contrary to MFDA Rule 2.1.1; and
- g) between August 2, 2018 and December 5, 2018, engaged in personal financial dealings with a client by providing the client with monies to pay her investment loan payments, which gave rise to a conflict or potential conflict of interest that he did not disclose to the Member or otherwise 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, 2.1.1, 2.5.1, and 1.1.2.

IT IS HEREBY ORDERED THAT:

1. The Respondent has been appropriately served with the Notice of Hearing in accordance with Rules 4.2(1)(b), (d) and 4.8(1) of the MFDA *Rules of Procedure*.
2. 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 section 24.1.1(e) of the MFDA By-law No. 1.
3. The Respondent shall pay a fine in the amount of \$750,000 on the date of this Order, pursuant to s. 24.1.1(b) of MFDA By-law No.1.
4. The Respondent shall pay costs in the amount of \$49,662.50 on the date of this Order, pursuant to s. 24.2 of MFDA By-law No.1.
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 2nd day of November, 2022.

“John Lorn McDougall”

John Lorn McDougall, K.C.
Chair

“Brigitte J. Geisler”

Brigitte J. Geisler
Industry Representative

“Timothy J. Pryor”

Timothy J. Pryor
Industry Representative