



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: Johnny Wu

Heard: December 21, 2017 in Vancouver, British Columbia

Decision: December 21, 2017

Reasons for Decision: January 29, 2018

REASONS FOR DECISION

Hearing Panel of the Pacific Regional Council:

Stephen D. Gill
Elizabeth Chichka
Robert Sokugawa

Chair
Industry Representative
Industry Representative

Appearances:

Sakeb Nazim)	Counsel for the Mutual Fund Dealers
)	Association of Canada
)	
Johnny Wu)	Respondent, in person
)	
)	

Introduction

1. By a settlement agreement dated November 20, 2017 (“Settlement Agreement”), Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and Johnny Wu (“Respondent”) agreed to the settlement of this matter by way of a signed agreement. In the Settlement Agreement, the Respondent admitted to the following violations of the By-laws, Rules or Policies of the MFDA: between December, 2015 and February, 2016, he signed the signatures of four (4) clients on five (5) account forms, contrary to MFDA Rule 2.1.1.

2. The Respondent has agreed to the following penalty:

- a) a six month prohibition from conducting any securities related businesses with a Member of the MFDA;
- b) a fine of \$3,500; and
- c) costs of \$2,500.

3. Staff submits that the Settlement advances the public interest as it is reasonable and proportionate having regards to the nature and extent of the Respondent’s misconduct in all of the circumstances. We agree. A copy of the Settlement Agreement is attached as Schedule “1” to these Reasons.

4. It is accepted that pursuant to section 24.4.3 of MFDA of By-law No. 1, a Hearing Panel has only two options with respect to a settlement agreement referred to it on the recommendation of Staff. The Hearing Panel shall either accept the settlement agreement or reject it.

5. We adopt the views of the panel as stated in *(Re) Sterling Mutuals Inc.*, MFDA File No. 200820, dated September 3, 2008 as follows:

“We subscribe to the views expressed by past hearing panels that, in general, Settlement Agreements should be accepted, bearing in mind the following criteria:

1. That it is in the public interest to do so and that the penalties proposed will be sufficient to protect investors;
2. That the Agreement is reasonable and proportionate, having regard to the conduct of the Respondent;
3. That the Agreement addresses the issues of both specific and general deterrence;
4. That the Agreement is likely to prevent the type of conduct set out in the facts;
5. That the Agreement will foster confidence in the integrity of the Canadian capital markets;
6. That the Agreement will foster confidence in the integrity of the MFDA: and
7. That the Agreement will foster confidence in the regulatory process itself.

(See, for instance, *In Re Leer*, [2007] MFDA Pacific Regional Council, File 200710, *In Re Zollo*, [2007] MFDA Ontario Regional Council, File 200610, and *In Re Investors Group Financial Services*, [2005] MFDA Ontario Regional Council, File 200401.)

We also note that while in a contested hearing the Panel attempts to determine the correct penalty, in a Settlement hearing the Panel “will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the Settlement process and the fact that the parties have agreed. It will not reject a Settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness.” (*In Re Milewski*, [1999] I.D.A.C.D. No. 17.)

6. We agree with the submission of MFDA Staff that Settlements assist the MFDA in achieving its regulatory objective of protecting the public by prescribing activities that are harmful to the public, and by enabling flexible remedies tailored to the interest of both the MFDA and a Respondent. We agree that the ability of the MFDA to enter into Settlements is enhanced where hearing panels do not reject a Settlement Agreement unless the proposed penalty clearly falls outside the reasonable range of appropriateness. (See *British Columbia Securities Commission and Seifert*, 2007 B.C.C.A 484 at para.31)

7. The MFDA Penalty Guidelines (September 20, 2006) are a further resource available to the Hearing Panel in fashioning an appropriate penalty. It is accepted that the list of factors is

illustrative, not exhaustive, and that a Hearing Panel should consider case-specific factors in addition to those listed. (MFDA Penalty Guidelines page 2)

8. In cases involving misconduct of the type that are admitted to in the present case, the Penalty Guidelines recommend consideration of the following penalties and factors:

SPECIFIC FACTORS TO CONSIDER

1. Nature of the circumstances and conduct.
2. Number of individuals affected.
3. Whether the conduct is likely to bring the individual, the Member or the mutual fund industry into disrepute

Approved Person:

- Fine: Minimum of \$5,000.
- Write or rewrite an appropriate industry course (e.g. IFIC Officers', Partners', and Directors' Course or Canadian Investment Funds Course).
- Suspension.
- Permanent prohibition in egregious cases.

(MFDA Penalty Guidelines, page 27)

9. In our view it is settled that the primary goal in securities regulation, in the context of a Settlement hearing or a contested hearing, is protection of the investor. *Pezim v. British Columbia (Superintendent of Brokers)*, (1994) 2 S.C.R. 557 (SCC) at paras. 59, 68; *Re Breckenridge*, MFDA file number 200718, dated November 14, 2007 at paras. 74.)

10. In addition to protection of the investor, the goals of securities regulation include fostering public confidence in the capital markets and the securities industry. *Pezim v. British Columbia (Superintendent of Brokers)*, supra, at paras. 59, 68.

11. Further, sanctions should be preventative, protective and prospective in nature. In exercising its discretion to impose a penalty, the Hearing Panel should take in to account the following considerations:

- (a) the protection of the investing public;
- (b) the integrity of the securities market;
- (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.

(*Re Breckenridge*, MFDA file number 200718, November 14, 2007 at page 21, para. 10.)

12. We adopt the following from the Reasons of the Panel in *Re Breckenridge* (supra):

“Previous Hearing Panels have set out a number of additional factors which should be considered when determining an appropriate penalty. These include:

- a) The seriousness of the allegations proved against the Respondent;
- b) The Respondent's experience in the capital markets;
- c) The level of the Respondent's activity in the capital markets;
- d) The harm suffered by investors as a result of the Respondent's activities;
- e) The benefits received by the Respondent as a result of the improper activity;
- f) The risk to investors and the capital markets in the jurisdiction, were the Respondent to continue to operate in capital markets in the jurisdiction;
- g) The damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;
- h) 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;
- i) The need to alert others to the consequences of inappropriate activities to those who are permitted to participate in capital markets; and
- j) Previous decisions made in similar circumstances.”

(*Re Breckenridge*, page 21, para. 10)

13. In their submissions, MFDA Staff pointed to two other MFDA documents dealing with pre-signed forms or signature falsification. MFDA Staff Notice MSN-0066, dated October 31, 2007, stated that the purpose of the Notice was to emphasize that obtaining pre-signed forms from clients by Members and Approved Persons is contrary to the obligation of Members and Approved Persons to deal fairly, honestly and in good faith with their clients, and observe high standards of ethics and conduct in the transaction of business. The Notice pointed out that Members may only use forms that are duly executed by the client after information on the form has been properly completed. It stated that some examples of pre-signed forms noted by Staff

include blank trade order forms, cheques or account application forms pre-signed by clients, or blank pre-signed forms indicating branch manager or head office approval that have no other information filled in. Referring to the use of pre-signed forms, the Notice pointed out that the existence of pre-signed trade order forms in client files may be evidence that an Approved Person is engaged in discretionary trading. Under securities legislation and MFDA Rules, Members and Approved Persons are not permitted to accept discretionary trading authority from a client.

14. In MFDA Bulletin #0661-E, dated October 2, 2015, the MFDA pointed out that Staff continue to encounter situations where Approved Persons have created, possessed or used documents such as Know Your Client forms, trade forms and cheques which have been pre-signed, or on which client's signatures have been falsified through other means. It went on to say that Members and Approved Person may only use forms that are properly executed by the client after information on the form has been properly completed. Examples of signature falsification include, but are not limited to:

- a) having the client sign the form which is blank or partially completed (pre-signed form);
- b) signing a client's name to a document;
- c) cutting and pasting, photocopying or using correction fluid on a document to "reuse" a previous signature;
- d) altering any information on a signed document, without the client initialing the document to show the change was approved.

15. The Bulletin went on to state that any falsification is unacceptable whether or not:

- a) it is done for the purpose of the client's convenience;
- b) the client instructs or otherwise consents to the AP falsifying the document;
- c) the client complains where there is a financial harm to the client;
- d) it was the Approved Person intention to see the client or other Person;
- e) the document is used to commit a further breach of the Rules.

16. As can be seen from MFDA Staff Notice MSN-0066, and MFDA Bulletin #0661-E, the prohibition against falsifying forms exists regardless of the existence of client authorization, or the motive behind the use of the form. The MFDA has been warning Approved Person's against falsifying forms for a number of years.

17. It is clear that hearing panels have held that falsifying forms is a contravention of the standard of the conduct as set out in MFDA Rule 2.1.1: *Re Ewart*, MFDA File No. 201528, September 11, 2015.

18. MFDA Staff submitted, and we agree, that the falsification of a client's signature or initials is particularly serious. MFDA Staff referred to the decision of *Re Barnai*, MFDA File No. 201325, March 17, 2015, wherein they summarized the principles with respect to falsifying client's signatures:

“7. Falsifying client signatures or initials is serious misconduct. Signature falsification (like the use of pre-signed forms) adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation.

As a Hearing Panel of the Investment Dealers Association (now IIROC) stated in *Bell (Re)*:

“Forgery is always serious. It is unequivocally condemned because it is fundamentally dishonest and dangerous. Any act of forgery is a step onto a steep and slippery slope of deception that is always potentially harmful to clients and actually harmful to the Member firm and the securities industry as a whole.”

Bell (Re), [2005] LD.A.C.D. No. 15, Alberta District Council, Panel Decision dated March 21, 2005, at para. 35.

8. *Lamontagne (Re)* reiterated the principle set out in *Bell (Re)*, but went on to state that, where warranted, hearing panels may distinguish between serious and less egregious instances of falsification:

“Forgery is always a serious regulatory matter because it shows that the Respondent lacks the honesty required of a professional in the securities industry... forgery often attracts severe sanctions. While there is no such thing as a “minor case” of forgery, hearing panels may distinguish between more and less egregious examples of forgery.”

Lamontagne (Re), [2009] IIROC No. 6, Alberta District Council, Panel Decision dated January 27, 2009, at paras. 14 and 45. *Wise (Re)*, 2012 LNCMFDA 79.”

19. MFDA Staff submitted, and we agree, that MFDA Rule 2.1.1 sets the standard of conduct to be followed by all Approved Persons. The Rule is designed to protect the public interest by requiring Approved Persons to adhere to a high standard of ethical conduct. The Rule has been interpreted and applied in a purposive manner in a wide range of circumstances. As stated by the MFDA, Hearing Panel in *Re Breckenridge*: “the Rule articulates the most fundamental obligations of all registrants in the securities industry.” (*Re Breckenridge*, supra, para. 71; *Re Price*, MFDA File No. 200814, April 18, 2011 at paras. 118-121.)

20. Further, MFDA Rule 2.1.1 requires that each Member and Approved Person 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. MFDA Staff submitted, and we agree, that by falsifying clients’ signatures on account forms as per Part 3 of the Settlement Agreement, the Respondent engaged in conduct prohibited by MFDA Rule 2.1.1, and thus engaged in misconduct that should be regarded as serious.

21. It should be noted that all of the signature falsifications in this matter were committed after the MFDA issued Bulletin #0661-E on October 2, 2015. In our view this is an aggravating factor, which has been discussed in several MFDA decisions: *Re Techer*, MFDA File No. 201662, December 5, 2016, para. 44; *Re Ackerman*, MFDA File No. 201734, September 13, 2017, para. 29.

22. In terms of past conduct, we note that the Respondent has not previously been disciplined by the MFDA and the Respondent was registered as a mutual fund dealing representative from April 2015 to June 2016 as per the Settlement Agreement at para. 18 and para. 7.

23. Further, the Respondent has recognized the seriousness of his misconduct by entering into the Settlement Agreement. The Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing of the allegations. (Settlement Agreement para. 19)

24. Further, there is no evidence of any client harm. There is no evidence the Respondent received any financial or other benefits through his conduct, and there was no client complaint. (Settlement Agreement at para. 17)

25. In our view, there must be significant deterrence as a result of the admitted misconduct. A fine of \$3,500.00 with a six month prohibition in our view is necessary and sufficient to achieve the goals of specific and general deterrence, having regard to the factors present in this case and described herein. In our view, this penalty demonstrates that the Respondent's misconduct, given the circumstances herein, is serious and has significant consequences. Further, this penalty will also deter others in capital markets from engaging in similar activity.

26. We note that the \$3,500.00 fine is lower than the minimum fine recommended by the Penalty Guidelines for this breach of conduct; however, Staff is also seeking a six month prohibition in addition to the fine. Staff submits, and we agree, that the combination of the fine and prohibition is appropriate in the present case to achieve the deterrence and penalty required.

27. With respect to previous decisions in similar cases, MFDA Staff submitted that there were four cases which were somewhat similar, and supported the penalty herein. Those cases are as follows:

Case	Facts	Outcome
<i>Barnai (Re)</i> , MFDA File No. 201325, Hearing Panel of the Central Regional Council, Reasons dated March 17, 2015	The Respondent falsified the signatures of two clients on trading and KYC account forms.	The Hearing Panel Approved the Settlement Agreement with the following terms: <ul style="list-style-type: none"> • 9 month suspension • Costs of \$1,500
<i>Wise (Re)</i> , MFDA File No. 201213, Hearing Panel of the Central Regional Council, Decision and Reasons dated October 16, 2012	The Respondent falsified the signature of one client on an account form. The Respondent immediately admitted to the falsification when confronted.	The Hearing Panel Approved the Settlement Agreement with the following terms: <ul style="list-style-type: none"> • 6 month suspension • Costs of \$2,500
<i>Li (Re)</i> , MFDA File No. 201527, Hearing Panel of the Central Regional Council, Decision and Reasons dated September 11, 2015	The Respondent submitted a single falsified form with a falsified client signature and misled the Member regarding the form when it was Noticed that the signatures did not match.	The Hearing Panel Approved the Settlement Agreement with the following term: <ul style="list-style-type: none"> • 4 month suspension
<i>Foley (Re)</i> , MFDA File No. 201547, Hearing Panel of the Central Regional Council, Decision and Reasons dated February 19, 2016	The Respondent falsified two client signatures on two KYC forms.	The Hearing Panel Approved the Settlement Agreement with the following terms: <ul style="list-style-type: none"> • Fine of \$6,000 • Costs of \$2,500

28. Having reviewed the facts and admissions set forth in the Settlement Agreement, and having considered the submissions and authorities referred to us, this Panel concludes that the penalty proposed in the Settlement Agreement is reasonable and proportionate, and will deter the Respondent and other Approved Persons from engaging in similar misconduct. Further, acceptance of the Settlement Agreement will advance the public interest and the objective of the MFDA to enhance investor protection, and ensure high standards of conduct in the mutual fund industry.

29. For the foregoing Reasons this Panel accepted the Settlement Agreement between Staff of the MFDA and the Respondent Johnny Wu dated November 20, 2017.

DATED this 29th day of January, 2018.

“Stephen D. Gill”

Stephen D. Gill
Chair

“Elizabeth Chichka”

Elizabeth Chichka
Industry Representative

“Robert Sokugawa”

Robert Sokugawa
Industry Representative

DM 594357

Schedule “1”

Settlement Agreement

File No. 201793



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: Johnny Wu

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and Johnny Wu, (“Respondent”), consent and agree to settlement of this matter by way of this agreement (“Settlement Agreement”).

2. Staff conducted an investigation of the Respondent’s activities which disclosed 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.

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

4. The Respondent admits to the following violations of the By-laws, Rules or Policies of the MFDA:

- a) between December 2015 and February 2016, the Respondent signed the signatures of 4 clients on 5 account forms, contrary to MFDA Rule 2.1.1.

5. Staff and the Respondent agree and consent to the following terms of settlement:

- a) The Respondent shall pay a fine in the amount of \$3500 pursuant to section 24.1.1(b) of By-law No. 1 (the “Fine”);
- b) the Respondent shall pay costs in the amount of \$2500 pursuant to section 24.2 of By-law No. 1 (the “Costs”);
- c) the payment by the Respondent of the Fine and Costs shall be made to and received by MFDA Staff in certified funds as follows:
 - i. \$2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$2,500 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - iii. \$250 on or before the last business day of the first month following the date of Settlement Agreement;
 - iv. \$250 on or before the last business day of the second month following the date of Settlement Agreement;
 - v. \$250 on or before the last business day of the third month following the date of Settlement Agreement;
 - vi. \$250 on or before the last business day of the fourth month following the date of Settlement Agreement;
- d) If the Respondent fails to make any of the payments described in subparagraph 5(c):
 - i. any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to the MFDA; and

- ii. the Respondent shall be prohibited from conducting securities related business while in the employ of or associated with a Member of the MFDA until such time as the total amount outstanding of the Fine and Costs owed by the Respondent is paid to the MFDA, pursuant to s. 24.3.13(c) of MFDA By-law No. 1.
- e) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with a MFDA Member for a period of 6 months pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
- f) the Respondent shall in the future comply with MFDA Rules 2.1.1; and
- g) the Respondent will attend the Settlement Hearing in person.

6. Staff and the Respondent agree to the settlement on the basis of the facts set out in Part III herein and consent to the making of an Order in the form attached as Schedule “A”.

III. AGREED FACTS

Registration History

- 7. The Respondent was registered in the mutual fund industry commencing April 2015.
- 8. Between April 2015 and June 2016, the Respondent was registered in British Columbia as a mutual fund salesperson (now known as a dealing representative) with TD Investment Services Inc. (“TD”), a Member of the MFDA.
- 9. On June 28, 2016, TD terminated the Respondent’s registration for the matters described below, and the Respondent is not currently registered in the securities industry in any capacity.
- 10. At all material times, the Respondent carried on business in Vancouver, British Columbia area.

The Respondent Signed the Signatures of Clients

11. At all material times, TD's policies and procedures prohibited its Approved Persons, including the Respondent, from holding, obtaining, or using falsified account forms.
12. Between December 2015 and February 2016, the Respondent signed the signatures of 4 clients on 5 account forms, contrary to MFDA Rule 2.1.1.
13. The account forms consisted of Account Maintenance Forms and Registered Plans Transfer Forms.

TD's Investigation

14. In March 2016, TD identified four of the account forms described above in paragraph 12 during an onsite branch review. TD subsequently reviewed all of the client files serviced by the Respondent for the preceding one year period and identified the remaining falsified account form that is the subject of this Settlement Agreement.
15. On June 28, 2016, TD terminated the Respondent's registration.

Additional Factors

16. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond any commissions and fees that he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.
17. There is no evidence of any client loss or that any transactions were unauthorized.
18. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

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

IV. ADDITIONAL TERMS OF SETTLEMENT

20. This settlement is agreed upon in accordance with section 24.4 of MFDA By-law No. 1 and Rules 14 and 15 of the MFDA Rules of Procedure.

21. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (the "Settlement Hearing"). At, or following the conclusion of, the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. 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.

22. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence, upon the effective date of the Settlement Agreement.

23. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

- a) the Settlement Agreement will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter;
- b) the Respondent waives any 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;

- c) Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any contraventions that are not set out in this Settlement Agreement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations;
- d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.2 of 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; and
- e) 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 the Respondent.

24. If, for any reason, this Settlement Agreement is not accepted 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 the Settlement Agreement or the settlement negotiations.

25. Staff and the Respondent agree that the terms of the 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.

26. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile copy of any signature shall be effective as an original signature.

DATED this 20th day of November, 2017.

“Johnny Wu”

Johnny Wu

“RT”

Witness – Signature

RT

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. 201793



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: Johnny Wu

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (“MFDA”) issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Johnny Wu (“Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (“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 By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

- a) between December 2015 and February 2016, the Respondent signed the signatures of 4 clients on 5 account forms, contrary to MFDA Rule 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 \$3,500 pursuant to section 24.1.1(b) of By-law No. 1 (the “Fine”);
2. The Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1 (the “Costs”);
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:
 - i. \$2,500 (Costs) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - ii. \$2,500 (Fine) upon acceptance of the Settlement Agreement by the Hearing Panel;
 - iii. \$250 on or before the last business day of the first month following the date of Settlement Agreement;
 - iv. \$250 on or before the last business day of the second month following the date of Settlement Agreement;
 - v. \$250 on or before the last business day of the third month following the date of Settlement Agreement;
 - vi. \$250 on or before the last business day of the fourth month following the date of Settlement Agreement;
4. If the Respondent fails to make any of the payments described in paragraph 3:
 - i. any outstanding balance of the Fine and Costs owed by the Respondent shall become immediately due and payable to the MFDA; and
 - ii. the Respondent shall be prohibited from conducting securities related business while in the employ of or associated with a Member of the MFDA until such time

as the total amount outstanding of the Fine and Costs owed by the Respondent is paid to the MFDA, pursuant to s. 24.3.13(c) of MFDA By-law No. 1.

5. The Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with a MFDA Member for a period of 6 months pursuant to s. 24.1.1(b) of MFDA By-law No. 1;

6. The Respondent shall in the future comply with MFDA Rules 2.1.1; and

7. 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]