



**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: Charles Leigh Hogg**

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**NOTICE OF HEARING**

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**NOTICE** is hereby given that a first appearance will take place by teleconference before a hearing panel of the Central Regional Council (“Hearing Panel”) of the Mutual Fund Dealers Association of Canada (“MFDA”) on November 24, 2022 at 10:00 a.m. (Eastern), or as soon thereafter as the appearance can be held, concerning a disciplinary proceeding commenced by the MFDA against Charles Leigh Hogg (the “Respondent”). Members of the public who would like to listen to the teleconference should contact [hearings@mfd.ca](mailto:hearings@mfd.ca) to obtain particulars.

**DATED** this 6<sup>th</sup> day of September, 2022.

“Michelle Pong”

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Michelle Pong  
Director, Regional Councils

Mutual Fund Dealers Association of Canada  
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**NOTICE** is further given that the MFDA alleges the following violations of the By-laws, Rules or Policies of the MFDA:

**Allegation #1:** On or about April 1, 2019 and May 27, 2019, the Respondent provided login credentials to third parties to enable them to access the Member's system containing confidential client information, without the knowledge or consent of the Member, contrary to MFDA Rules 2.1.3 and 2.1.1.

**Allegation #2:** Between about April 2019 and June 2019, the Respondent sent, or arranged to send, confidential client information to a third party, without the prior consent of the clients, contrary to the Member's policies and procedures and MFDA Rules 2.1.3, 2.1.1 and 1.1.2 (as it relates to Rule 2.5.1).

### **PARTICULARS**

**NOTICE** is further given that the following is a summary of the facts alleged and intended to be relied upon by the MFDA at the hearing:

#### **Registration History**

1. Commencing in 1982, the Respondent was registered in the securities industry.
2. From 2006 to October 28, 2019, the Respondent was registered in Ontario as a dealing representative with Assante Financial Management Ltd. ("Assante"), a Member of the MFDA.
3. On October 28, 2019, Assante terminated the Respondent as a result of the conduct described herein, and he is not currently registered in the securities industry in any capacity.
4. At all material times, the Respondent conducted business in the Kitchener, Ontario area.

#### **Background**

5. In early 2019, the Respondent had discussions with Wealthsimple Advisor Services Inc. ("WASI"), a Member of the MFDA, regarding the transfer of his registration and book of business to WASI.
6. At all material times, WASI maintained an onboarding process (the "Onboarding Process") for Approved Persons of other Members who intended to transfer their registration and book of business to WASI.

7. Pursuant to the Onboarding Process, Approved Persons provided confidential client information regarding the clients whose accounts they serviced at the other Members to Wealthsimple Technologies Inc. (“WSTI”), a company affiliated with WASI, prior to the Approved Persons transferring their registration to WASI.

8. The confidential client information included, among other things, client names, social insurance numbers, dates of birth, addresses, email addresses, phone numbers, account numbers, account types, and types and amounts of investments held (the “Client Information”).

9. In 2019, the Respondent agreed to participate in WASI’s Onboarding Process, and he signed an agreement to send Client Information to WSTI with the intention that he would subsequently transfer his registration and book of business from Assante to WASI and become an Approved Person of WASI.

#### **Allegation #1 – Unauthorized Access to the Member’s System**

10. At all material times, ST was an Approved Person registered with a different MFDA Member (neither Assante nor WASI) who had also agreed to participate in WASI’s Onboarding Process.

11. The Respondent and ST were acquainted and both intended to transfer their registration to WASI.

12. During the Onboarding Process, the Respondent experienced technical difficulties when attempting to send Client Information to WSTI, and he requested that ST assist him in sending Client Information to WSTI.

13. On or about April 1, 2019, the Respondent provided ST with the Respondent’s login credentials including his username and password which enabled ST to access Assante’s customer relationship management (“CRM”) system so that he could send Client Information to WSTI on behalf of the Respondent.

14. On or about April 1, 2019:

- a) ST, while not in the presence of the Respondent, used the Respondent’s username and password to log into Assante’s CRM system;
- b) while logged into the CRM system, ST shared his screen remotely with WSTI Staff;

- c) during the screen-sharing session, WSTI Staff viewed the contents of Assante's CRM system and three reports (the "Reports") were generated from the system which contained Client Information; and
- d) ST saved the Reports on his computer and then emailed them to WSTI Staff on behalf of the Respondent.

15. On or about May 27, 2019, the Respondent provided a WSTI Staff member with the Respondent's username and password for Assante's CRM system so that the WSTI Staff member could access the system and obtain additional Client information.

16. On or about May 27, 2019, the WSTI Staff member used the Respondent's username and password to log into Assante's CRM system and obtain the additional Client Information.

17. Assante was not aware of, and never authorized, any of the activity described above.

18. By providing ST and WSTI Staff with his username and password to Assante's CRM system as described above, the Respondent:

- a) facilitated unauthorized access to Assante's system by ST and WSTI Staff;
- b) prevented Assante from safeguarding the Client Information that was contained in the system; and
- c) compromised the confidentiality of the clients' Client Information.

19. The Respondent thereby failed to maintain the Client Information in confidence, and failed to observe high standards of ethics and conduct in the transaction of business, and engaged in conduct which was unbecoming and detrimental to the public interest, contrary to MFDA Rules 2.1.3 and 2.1.1.

### **Allegation #2 – Providing Client Information to a Third Party without Client Consent**

20. At all material times, Assante's policies and procedures prohibited its Approved Persons from disclosing client information to a third party without the prior written consent of the client.

21. As described above, during the Onboarding Process:

- a) on or about April 1, 2019, after the Respondent provided ST with the Respondent's username and password to Assante's CRM system, ST accessed the system and sent Client Information to WSTI on behalf of the Respondent; and

- b) on or about May 27, 2019, after the Respondent provided WSTI Staff with the Respondent's username and password to Assante's CRM system, WSTI Staff accessed the system and obtained additional Client Information.
22. Between about April and June 2019, the Respondent sent, or arranged to send on his behalf, additional Client Information to WSTI as part of the Onboarding Process.
23. The Client Information referenced above in paragraphs 21 and 22 pertained to a total of approximately 576 clients whose accounts the Respondent serviced at Assante.
24. The Respondent did not obtain prior consent from the clients authorizing the disclosure of their Client Information to WSTI.
25. In addition, the Respondent did not inform Assante that the Client Information was being provided to WSTI.
26. In late 2019, WASI discontinued its Onboarding Process and ceased accepting new Approved Persons.
27. The Respondent ultimately did not become registered with WASI.
28. By failing to obtain the consent of the clients to provide their Client Information to WSTI, the Respondent compromised the confidentiality of the clients' Client Information.
29. The Respondent thereby failed to maintain the Client Information in confidence and contravened Assante's policies and procedures, contrary to MFDA Rules 2.1.3, 2.1.1 and 1.1.2 (as it relates to Rule 2.5.1).

**NOTICE** is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;

- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- a) a reprimand;
- b) a fine not exceeding the greater of:
  - (i) \$5,000,000.00 per offence; and
  - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
- c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;
- d) revocation of the authority of such person to conduct securities related business;
- e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time; and
- f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel.

**NOTICE** is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

**NOTICE** is further given that the Respondent must **serve a Reply** on Enforcement Counsel and **file a Reply** with the Office of the Corporate Secretary within twenty days from the date of service of this Notice of Hearing.

A **Reply** shall be **served** upon Enforcement Counsel at:

Mutual Fund Dealers Association of Canada  
121 King Street West, Suite 1000  
Toronto, ON M5H 3T9  
Attention: Paul Blasiak  
Email: [pblasiak@mfd.ca](mailto:pblasiak@mfd.ca)

A **Reply** shall be **filed** by:

- a) providing four copies of the **Reply** to the Office of the Corporate Secretary by personal delivery, mail or courier to:

The Mutual Fund Dealers Association of Canada  
121 King Street West, Suite 1000  
Toronto, ON M5H 3T9  
Attention: Office of the Corporate Secretary; or

- b) transmitting one electronic copy of the **Reply** to the Office of the Corporate Secretary by e-mail at [corporatesecretary@mfd.ca](mailto:corporatesecretary@mfd.ca).

A **Reply** may either:

- (i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

**NOTICE** is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

**NOTICE** is further given that if the Respondent fails:

- a) to **serve and file a Reply**; or
- b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-laws.

**END.**

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