



**CIRO · OCRI**

Canadian Investment  
Regulatory  
Organization

Organisme canadien  
de réglementation  
des investissements

**Settlement Agreement**

**File No. 202328**

**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES<sup>i</sup>  
and  
Vikram Jindal**

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**SETTLEMENT AGREEMENT**

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**I. INTRODUCTION**

1. The Canadian Investment Regulatory Organization, a consolidation of IIROC and the MFDA (“CIRO”) will announce that it proposes to hold a hearing (the “Settlement Hearing”) to consider whether, pursuant to Mutual Fund Dealer Rule 7.4.4.3, a hearing panel of the Ontario District Committee (the “Hearing Panel”) of CIRO should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of CIRO (“Staff”) and Vikram Jindal (the “Respondent”).

2. Staff and the Respondent, consent and agree to the terms of this Settlement Agreement.

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

**II. CONTRAVENTIONS**

4. The Respondent admits to the following violations of the Mutual Fund Dealer Rules:<sup>1</sup>

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<sup>1</sup>At the time of the conduct addressed in this proceeding, MFDA Rules 1.1.5, 2.1.1, 1.1.2, and 2.5.1 were in effect and are now incorporated into Mutual Fund Dealer Rules 1.1.5, 2.1.1, 1.1.2 and 2.5.1 referred to in

Between July 28, 2017 and September 28, 2021, the Respondent permitted their licensed assistant to conduct trading activity in respect of 15 clients who resided in provinces where the licensed assistant was not registered, contrary to the Dealer Member's policies and procedures and Mutual Fund Dealer Rules 1.1.5, 2.1.1 and 1.1.2 (as it relates to Rule 2.5.1) (formerly MFDA Rules 1.1.5, 2.1.1, 1.1.2, and 2.5.1).

### **III. TERMS OF SETTLEMENT**

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 \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);
  - (b) the Respondent shall pay costs in the amount of \$2,500 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.2;
  - (c) the Respondent shall in the future comply with Mutual Fund Dealer Rules 1.1.5, 2.1.1, 1.1.2 and 2.5.1 (formerly MFDA Rule 1.1.5, 2.1.1, 1.1.2 and 2.5.1);  
and
  - (d) the Respondent shall attend on the date set for the Settlement Hearing.
  
6. Staff and the Respondent agree to the settlement on the basis of the facts set out in this Settlement Agreement herein and consent to the making of an Order in the form attached as Schedule "A".

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this proceeding. On July 7, 2022, amendments to MFDA Rule 1.1.2 came into effect. As the conduct addressed in this proceeding pre-dated the amendment to that Rule, the version of MFDA Rule 1.1.2 that was in effect between February 27, 2006 and July 7, 2022 is applicable to this proceeding.

#### **IV. AGREED FACTS**

##### **Registration History**

7. Since November 22, 2001, the Respondent has been registered in Ontario as a dealing representative with Quadrus Investment Services Ltd., a Dealer Member of CIRO (the “Dealer Member”) (formerly a Member of the MFDA).

8. At all material times, the Respondent was also registered with the Dealer Member in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Saskatchewan.

9. At all material times, the Respondent conducted business in the London, Ontario area.

##### **Out of Province Trading**

10. At all material times, the Dealer Member’s policies and procedures required assistants who are registered to conduct securities related business to only place trades in jurisdictions in which they are registered.

11. At all material times, the Respondent was registered in provinces where clients whose accounts the Respondent serviced resided.

12. The Respondent’s licensed assistant EF was only registered in Ontario with the Dealer Member.

13. From time to time, EF communicated with clients of the Dealer Member whose accounts were serviced by the Respondent to obtain trading instructions and processed transactions under the Respondent’s representative code. EF did not have a personal representative code.

14. Between July 28, 2017 and September 28, 2021, EF contacted clients, obtained trading instructions, and completed client account forms using the Respondent’s

representative code to process 31 transactions in respect of 15 clients who resided in provinces where EF was not registered.

15. The transactions included subsequent purchases of mutual funds in the clients' accounts, switches, redemptions, transfers, conversions and a letter of direction.

16. The Respondent permitted EF to contact clients in order to obtain trading instructions and process transactions when he knew or ought to have known that: (i) EF was only permitted to engage in registerable activity in respect of clients who resided in provinces where EF was registered; and (ii) clients for whom EF was processing transactions resided in provinces where EF was not registered.

17. The Respondent failed to ensure that EF only conducted trading activity in respect of clients who resided in provinces where EF was registered.

#### **Dealer Member's Investigation**

18. In October 2021, the Dealer Member completed a full file review of the Respondent's client files and discovered that EF processed transactions outside the jurisdiction where EF was registered, as described above.

19. On November 3, 2021, the Dealer Member issued the Respondent a disciplinary letter, and placed the Respondent under close supervision between November 8, 2021 and May 6, 2022. The Respondent was required to pay the Member an administrative fee of \$400 per month. In total, the Respondent paid \$2,400 to the Member.

#### **Additional Factors**

20. There is no evidence that the Respondent received any financial benefit from the misconduct described above beyond the commissions or fees the Respondent would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

21. There is no evidence of client loss, and no clients have complained to CIRO or the Dealer Member.

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

23. By entering in this Settlement, the Respondent has saved the time, resources and expenses associated with conducting a contested hearing on the allegations.

#### **V. ADDITIONAL TERMS OF SETTLEMENT**

24. This settlement is agreed upon in accordance with Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure.

25. The Settlement Agreement is subject to acceptance by the Hearing Panel. At or following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. Settlement Hearings are typically held in the absence of the public pursuant to Mutual Fund Dealer Rule 7.3.5 and Rule 15.2(2) of the Mutual Fund Dealer 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](http://www.mfda.ca).

26. 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 agreed, 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.

27. 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 at the settlement hearing, subject to Rule 15.3 of the Mutual Fund Dealer Rules of Procedure;
- (b) the Respondent agrees to waive any rights to a full hearing, a review hearing or appeal, including before the Board of Directors of CIRO 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) except for any proceedings commenced to address an alleged failure to comply with this Settlement Agreement, Staff will not initiate any proceeding under the Mutual Fund Dealer Rules against the Respondent in respect of the facts and contraventions described in this Settlement Agreement. 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, 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;
- (d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to Mutual Fund Dealer Rule 7.4.1.1 for the purpose of giving notice to the public thereof in accordance with Mutual Fund Dealer Rule 7.4.5; 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.

28. 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 Mutual Fund Dealer Rule 7.4.3 against the Respondent based on, but not limited to, the facts set out in this 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.

29. 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 Mutual Fund Dealer Rules 7.3 and 7.4, unaffected by the Settlement Agreement or the settlement negotiations.

30. 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. The terms of the Settlement Agreement, including the attached Schedule "A", will be released to the public if and when the Settlement Agreement is accepted by the Hearing Panel.

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

**DATED** this 4th day of October, 2023.

“Vikram Jindal”  
Vikram Jindal

“K.R.”  
Witness - Signature

KR  
Witness - Print name

“Charles Toth”  
Staff of CIRO  
Per: Charles Toth  
Canadian Investment Regulatory Organization, Vice-President, Enforcement  
(Mutual Fund Dealers)

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<sup>i</sup> On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization that is called the Canadian Investment Regulatory Organization (referred to herein as “CIRO”) and is recognized under applicable securities legislation. CIRO adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Pursuant to Mutual Fund Dealer Rule 1A and s. 14.6 of By-law No. 1 of CIRO, contraventions of former MFDA regulatory requirements may be enforced by CIRO.



**Schedule “A**

**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES  
and  
Vikram Jindal**

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**ORDER**

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**WHEREAS** on [date], the Canadian Investment Regulatory Organization (“CIRO”) issued a Notice of Hearing pursuant to Mutual Fund Dealer Rules 7.3 and 7.4 in respect of a disciplinary proceeding commenced against Vikram Jindal (the “Respondent”);

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of CIRO 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 Mutual Fund Dealer Rules 7.3 and 7.4.1;

**AND WHEREAS** based upon the admissions of the Respondent in the Settlement Agreement, the Hearing Panel is of the opinion that:

Between July 28, 2017 and September 28, 2021, the Respondent permitted their licensed assistant to conduct trading activity in respect of 15 clients who resided in provinces where the licensed assistant was not registered, contrary to the Dealer Member’s policies and procedures and Mutual Fund Dealer Rules 1.1.5, 2.1.1 and 1.1.2 (as it relates to Rule 2.5.1) (formerly MFDA Rules 1.1.5, 2.1.1, 1.1.2, and 2.5.1).

**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 \$5,000 in certified funds payable on the date of this Order, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b);
2. The Respondent shall pay costs in the amount of \$2,500 in certified funds payable on the date of this Order, pursuant to Mutual Fund Dealer Rule 7.4.2;
3. The Respondent shall in the future comply with Mutual Fund Dealer Rules 1.1.5, 2.1.1 and 1.1.2 (as it relates to Rule 2.5.1) (formerly MFDA Rules 1.1.5, 2.1.1, 1.1.2, and 2.5.1) 2.1.1 (formerly MFDA Rule 2.1.1); and
4. If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by CIRO's Privacy Policy, then the Corporate Secretary's Office, Mutual Fund Dealer Division of CIRO 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 Mutual Fund Dealer Rules of Procedure.

**DATED** this [day] day of [month], 2023.

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Name,  
Chair

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Name,  
Industry Representative

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Name,  
Industry Representative

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