



**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: Fahad Izhar**

---

**SETTLEMENT AGREEMENT**

---

**I. INTRODUCTION**

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and the Respondent, Fahad Izhar (the “Respondent”), consent and agree to settlement of this matter by way of this agreement (the “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 Mutual Fund Dealers Association of Canada (“MFDA”):
  - a) In February 2020, the Respondent signed the signatures of two clients on two account forms, and submitted the account forms to the Member for processing, contrary to MFDA Rule 2.1.1; and

- b) In March 2020, in response to an inquiry from the Member regarding the suitability of a client's fund holdings, the Respondent altered a client's investment objectives on an account form without having met with or discussed the information with the client, and also signed the client's signature on the account form, contrary to MFDA Rules 2.2.1 and 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 \$16,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
  - b) the Respondent shall pay costs in the amount of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No. 1;
  - c) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
  - d) the Respondent will attend in person (via-videoconference) on the specified date set for the Settlement Hearing.
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. On approximately September 11, 2017, the Respondent became registered in the securities industry.
8. Between approximately September 11, 2017 and May 7, 2020, the Respondent was registered in Ontario as a dealing representative with TD Investment Services Inc. (the "Member"), a Member of the MFDA.
9. On May 7, 2020, the Member terminated the Respondent as a result of the conduct described herein, and he is not currently registered in the securities industry in any capacity.
10. At all material times, the Respondent conducted business in the Toronto, Ontario area.

## **Signing Client Signatures**

11. At all material times, the Member's policies and procedures prohibited its Approved Persons from falsifying client signatures under all circumstances.
12. In February 2020, the Respondent signed the signatures of two clients on two account forms, and submitted the account forms to the Member for processing.
13. The account forms consisted of 2 TD Mutual Funds Transaction and Account Maintenance Forms.
14. As part of its investigation into the Respondent's conduct, the Member met with the affected clients and confirmed that the underlying transactions were authorized.

## **Completing KYC Documentation Without Meeting With the Client**

15. On or about March 1, 2020, the Respondent met with client DA at the Respondent's branch to open an investment account. The Respondent and the client completed documentation to open an account, including a TFSA Customer Investor Profile Form containing Know Your Client (KYC) information, and submitted the account form to the Member for processing.
16. On or about March 2, 2020, the Respondent was informed of a deficiency notice indicating that the fund holdings in client DA's account were inconsistent with the investment objectives on file for the client. The Member instructed the Respondent to have the client attend the branch to sign a new TFSA Customer Investor Profile Form.
17. On or about March 3, 2020, without having spoken with the client, the Respondent altered client DA's investment objective from 55% income and 45% growth to an allocation of 40% income and 60% growth. The Respondent subsequently printed out a new TFSA Customer Investor Profile Form containing the updated investment objective information, and signed the signature of the client on the account form.
18. As part of its investigation into the Respondent's conduct, the Member met with client DA in order to review the client's portfolio. In addition, the Member met with client DA who signed a new TFSA Customer Investor Profile Form confirming that the updated investment objective information described above was accurate. The opening of the investment account at the Member was authorized by the client, and no issues with the suitability of the investments were identified.

## **The Member's Investigation**

19. The Respondent's branch manager identified signature irregularities on the account forms described above during a branch supervisory review.
20. On April 9, 2020, the Member commenced an investigation to address the deficiencies in the account forms described above. The Member contacted the three affected clients in order to have them attend the branch to review their portfolios and re-sign updated account documents.
21. The Member completed a review of the trades submitted for processing by the Respondent for a one year period from March 2019 to March 2020. The Member did not identify any further instances of the Respondent signing client signatures on account forms.
22. On May 7, 2020, the Member terminated the Respondent for the conduct described herein.

## **Additional Factors**

23. There is no evidence that the Respondent received any financial benefit from engaging in the misconduct described above beyond any commissions and fees that the Respondent would ordinarily be entitled to receive had the transactions been carried out in the proper manner.
24. There is no evidence of client loss or complaints.
25. The Respondent has not previously been the subject of MFDA disciplinary proceedings.
26. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a contested hearing of the allegations.

## **IV. ADDITIONAL TERMS OF SETTLEMENT**

27. 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.
28. 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](http://www.mfda.ca).

29. 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.

30. 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 agrees to waive any 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;
- 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.

31. 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.

32. 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.

33. 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 12<sup>th</sup> day of May, 2022.

“Fahad Izhar”

\_\_\_\_\_  
Fahad Izhar

“MA”

\_\_\_\_\_  
Witness – Signature

MA

\_\_\_\_\_  
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: Fahad Izhar**

---

**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 Fahad Izhar (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 ss. 20 and 24.1 of MFDA By-law No. 1;

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

- a) In February 2020, the Respondent signed the signatures of two clients on two account forms, and submitted the account forms to the Member for processing, contrary to MFDA Rule 2.1.1; and
- b) In March 2020, in response to an inquiry from the Member regarding the suitability of a client's fund holdings, the Respondent altered a client's investment objectives on an account form without having met with or discussed the information with the client, and also signed the client's signature on the account form, contrary to MFDA Rules 2.2.1 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 \$16,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
2. The Respondent shall pay costs in the amount of \$5,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to s. 24.2 of MFDA By-law No. 1;
3. The Respondent shall in the future comply with 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 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 897016