



## NEWS RELEASE

*For immediate release*

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## **MFDA Hearing Panel accepts Settlement Agreement with Anu Jain**

**February 27, 2012** (Toronto, Ontario) – A Settlement Hearing in the matter of Anu Bala Jain (the “Respondent”) was held today in Toronto, Ontario before a Hearing Panel of the MFDA’s Central Regional Council.

The Hearing Panel accepted the Settlement Agreement between the Respondent and MFDA Staff, as a consequence of which the Respondent has paid a \$20,000 fine and costs in the amount of \$2,500. The fine and costs shall be payable in accordance with the following terms:

- a) \$7,500 of the fine and \$2,500 in costs shall be payable immediately; and
- b) the remaining \$12,500 of the fine shall be paid in 5 installments of \$2,500 payable by cheques post-dated to the following dates: April 1, 2012, June 1, 2012, August 1, 2012, October 1, 2012 and December 1, 2012.

If the Respondent fails to pay all or part of the fine installments on the dates when the installments are due in accordance with the terms above (including if any post-dated cheques provided to pay those amounts are not honoured by a bank), then automatically and without further notice, and without Staff having to again appear before a Hearing Panel or commence any further proceeding, the Respondent’s suspension from conducting securities related business while in the employ of, or associated with, any Member of the MFDA shall be extended by the total number of days that any installment payments remain or remained in arrears.

The Respondent shall be permanently prohibited from being registered or acting as a Branch Manager or in any supervisory capacity for a Member of the MFDA and the authority of the Respondent to conduct securities related business while in the employ of, or associated with, any Member of the MFDA shall be suspended for a period of 1 year from the date of the Order.

Prior to conducting securities related business while in the employ of or associated with a Member of the MFDA following the one year suspension, the Respondent shall write or rewrite and pass the Conduct and Practices Handbook course offered by the Canadian Securities Institute or another course approved by the MFDA that includes content concerning business ethics and procedure.

In the Settlement Agreement, the Respondent admitted that:

(a) between September 2007 and February 2008, she allowed MRM, an unregistered individual, to:

- i) open new accounts at the Member for 18 individuals with whom the Respondent never met;
- ii) recommend and implement leveraging strategies for these clients; and
- iii) recommend and process trades in the accounts of these clients using the Respondent's representative code;

thereby:

- A) facilitating stealth advising by MRM, contrary to MFDA Rules 1.1.1(c) and 2.1.1;
- B) failing to ensure that she (the Respondent) performed the necessary due diligence to learn the essential facts relative to the clients and failing to ensure that the investments and the leveraging strategies were suitable and appropriate for the clients, contrary to MFDA Rules 2.2.1 and 2.1.1; and
- C) failing in her (the Respondent's) capacity as a branch manager to ensure that business conducted at the branch was in compliance with MFDA By-laws, Rules and applicable legislation, contrary to MFDA Rules 2.5.3(b)(i) and 2.1.1.

(b) between May 26, 2010 and April 14, 2011, in response to a complaint by client MA, in respect of whom the Respondent was identified as the Approved Person responsible for servicing client MA's accounts, the Respondent made false and misleading statements and omitted to provide other relevant information during the course of investigations by two Members and by MFDA Staff:

- i) in a written statement to MFDA Staff, dated June 3, 2010;
- ii) in oral statements to compliance staff at two Members; and
- iii) by preparing notes of three meetings with client MA in October 2007 which had not in fact occurred;

contrary to MFDA Rule 2.1.1 and s. 22.1 of MFDA By-law No. 1.

The Hearing Panel advised that it will issue written reasons for its decision in due course. A copy of the [Settlement Agreement](#) is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 125 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.