



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: Hsi Chun Chiang

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (the “MFDA”) will announce that it proposes to hold a hearing to consider whether, pursuant to section 24.4 of By-law No. 1, a hearing panel of the Pacific Regional Council (the “Hearing Panel”) of the MFDA should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and the Respondent, Hsi Chun (Jessica) Chiang (the “Respondent”).

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent’s activities. The investigation disclosed that the Respondent had engaged in activity for which she could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No. 1.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule “A”.
4. Staff and the Respondent agree that the terms of this 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.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV below for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to Part IX below) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

IV. AGREED FACTS

Registration History

6. The Respondent was registered in British Columbia with Portfolio Strategies Corporation (“PSC” or the “Member”) as a mutual fund salesperson from May 25, 2005 to February 4, 2009 and as a branch manager from March 26, 2005 to May 27, 2008.
7. Previously, from October 2001 to May 2005, she was registered as a mutual fund salesperson with Dundee Private Investors Inc. The Respondent had also been registered as a mutual fund salesperson with Balanced Planning Investment

Corporation from August 1997 to October 2001, and with PFSL Investments Canada Ltd. from November 1996 to June 1997.

8. The Respondent was terminated by PSC on February 4, 2009 as a result of the events described herein.
9. PSC is a Member of the MFDA and is registered as a mutual fund dealer and an exempt market dealer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

The Respondent and Maple Leaf Reforestation Inc.

10. Maple Leaf Reforestation Inc. (“Maple Leaf”) was incorporated in Alberta on February 24, 2005. It is a public company based in Calgary whose shares trade on the Toronto Stock Exchange (stock ticker symbol: MPE). Maple Leaf’s operations appear to involve reforestation projects and the production of bio fuels in China.
11. In or about July 2007, MH, Maple Leaf’s Chairman of the Board¹, requested that the Respondent accept a role with the company to promote Maple Leaf to potential investors. The Respondent accepted MH’s offer and although not an officer of Maple Leaf was given the title of Maple Leaf’s “Vice-President, Public Relations”. The Respondent ended her association with Maple Leaf in about March 2008.
12. For her promotional efforts on behalf of Maple Leaf, the company paid the Respondent approximately \$1,000.

¹ MH acted as Maple Leaf’s Chairman of the Board of Directors until or about January 2008.

13. In July 2007, after accepting her role with Maple Leaf, the Respondent purchased 1.5 million restricted shares of Maple Leaf from MH. She also later purchased additional non-restricted shares of Maple Leaf.²
14. During her time with Maple Leaf, the Respondent publicized and promoted the company by discussing it with, and distributing materials and brochures prepared by the company to, clients of PSC and others, and referring both to Maple Leaf's website.
15. The Maple Leaf materials and brochures that were disseminated by the Respondent referenced Maple Leaf's stock ticker symbol (MPE.V) and included research reports of Maple Leaf's financial performance, the company's plans and future projections, and information relating to private placement offerings by Maple Leaf.
16. Maple Leaf did not conduct any business in Canada or offer any products or services to Canadian residents or individuals. It appears that its presence in Canada was limited to raising capital for investments and business ventures located in China.
17. Between July 2007 and March 2008, while acting on behalf of Maple Leaf, the Respondent recommended or facilitated the sale of Maple Leaf shares to a number of individuals, including nine PSC clients for whom the Respondent was the mutual fund salesperson responsible for servicing their accounts. The PSC clients who purchased Maple Leaf shares were JCWW, MCYF, FYCC, CCL, HFL, MCL, CYC, WCAT and YSL.
18. Regarding client FYCC and her husband, AT, in or about September 2007 client FYCC requested the Respondent to help them sell shares of Maple Leaf which

² The number or value of non-restricted Maple Leaf shares purchased by the Respondent at that time is no longer known. However, as of May 2010, the Respondent still owned approximately 30,000 non-restricted Maple Leaf shares.

they owned and held in an online trading account at TD Waterhouse (the “TD Waterhouse Account”). As part of their request, clients FYCC and AT provided the Respondent with login and password information for the TD Waterhouse Account.

19. The Respondent sold the Maple Leaf shares in FYCC’s and AT’s TD Waterhouse Account on five separate occasions between September 12, 2007 and October 23, 2007. Details of those trades were summarized by the Respondent in an email she sent to FYCC on October 24, 2007 which stated as follows:

I have sold everything on [AT’s online trading account at TD Waterhouse]. According to my previous email about my fees, if you are agree to that, here is the summary:

SEPT 12	\$4,000.00
SEPT 14	18,000.00
SEPT 17	25,110.01
SEPT 19	27,608.50
OCT 23	84,885.36 (everything will be settled on Oct 26)
Total	\$163,103.87

2% of \$163,103.87 is \$3,262.08 is my fee.”

20. In her October 24, 2007 email to FYCC, the Respondent further requested that the clients “transfer the [fee] amount into my TD Canada Trust Bank account”. In doing so, the Respondent provided clients with her bank account number, transit number and branch address.
21. However, subsequent to the October 24, 2007 email, the Respondent states that by oral agreement between FYCC, AT and the Respondent, no fee was paid. Staff’s investigation did not find any evidence that the fee had been paid.
22. The Respondent was given discretion as to when to sell the Maple Leaf shares owned by clients FYCC and AT. Specifically, she alone could determine when to sell and the price at which to do so.

23. Maple Leaf shares were not (and could not be since PSC was not registered as an investment dealer) an investment product approved for sale by PSC.
24. The Respondent's registration as a mutual fund salesperson with PSC did not permit her to advise or trade in the shares of Maple Leaf on behalf of clients or other individuals.
25. The Respondent mentioned an association with Maple Leaf to her then branch manager on one occasion in July 2007, but she did not seek or obtain approval from PSC to commence or continue her involvement in Maple Leaf or to trade, recommend or facilitate the sale of Maple Leaf shares to clients or other individuals.

The Respondent and Future Canada China Environment Inc. (Canada)

26. Future Canada China Environment Inc. (Canada) ("FCCE Canada") was incorporated in British Columbia on August 22, 2007.
27. At or about that time, and pursuant to a request she received from MH, FCCE Canada's Officer and Director,³ the Respondent agreed to act as a consultant for FCCE Canada and to perform administrative duties on the company's behalf. As part of her role with FCCE Canada, the Respondent also agreed to distribute marketing and promotional materials prepared by FCCE Canada to potential investors.
28. Commencing in the fall of 2007, the Respondent began to distribute FCCE Canada's marketing and promotion materials to potential investors, including PSC

³ The individual referred to in this paragraph as MH is the same person who acted as Maple Leaf's Chairman of the Board of Directors while the Respondent was Maple Leaf's "Vice-President, Public Relations".

clients for whom she was the mutual fund salesperson responsible for servicing their accounts.

29. On or about November 30, 2007, FCCE Canada made a distribution of 2,080,000 common shares to 18 investors residing in British Columbia at a price of \$1.00 per share (the “Distribution”), thereby raising capital in the amount of \$2,080,000. The Distribution was effected by FCCE Canada by obtaining signed subscription agreements from all 18 investors. The Distribution purported to rely upon the Accredited Investor exemption available under National Instrument 45-106, section 2.3.
30. 14 of the 18 investors who purchased FCCE Canada shares on November 30, 2007 signed subscription agreements that were witnessed and submitted to FCCE Canada by the Respondent (representing 1,580,000 of the 2,080,000 common shares sold to investors or \$1,580,000 of the capital raised by FCCE Canada). Of those 14 investors, 7 were PSC clients for whom the Respondent was the mutual fund salesperson responsible for servicing their accounts: TMC, MCL, SYH/HMC, WCS, HFL/CCL, CJL and JFC. The Respondent provided information promoting FCCE Canada to each of these 7 clients. In addition, 2 of the 14 investors who were not PSC clients state that they purchased FCCE Canada shares on the advice and recommendation of the Respondent.
31. There is no evidence that a market exists or ever existed for the securities of FCCE Canada. In addition, there is no evidence that the shares of FCCE Canada now have any underlying or inherent value.
32. Between December 2007 and September 2008, the Respondent received consulting fees totaling \$22,000 for the services she rendered to FCCE Canada. During that time, she was further reimbursed for office expenses she incurred on FCCE Canada’s behalf in the amount of \$634.44.

33. The Respondent did not seek or obtain approval from PSC to commence or continue her activities on behalf of FCCE Canada or to recommend or facilitate the sale of FCCE Canada shares to clients or other individuals.
34. FCCE Canada shares were not an investment product approved for sale by PSC.

The Respondent's Involvement in Future Canada China Environment Inc. (USA)

35. On February 5, 2008, Future Canada China Environment Inc. (USA) ("FCCE USA") was incorporated in Nevada, USA. FCCE USA was related to and affiliated with FCCE Canada. Amongst other things, both companies' stated purpose was to invest in "green" industries in China. In addition, they shared the same website, which listed two company addresses: the head office located in the state of Washington, USA (the "Head Office") and the FCCE Canada office located in Vancouver, British Columbia. When FCCE USA was incorporated, the Respondent's sister became its sole shareholder.
36. FCCE USA was a public company whose shares (stock ticker symbol: FCCE) traded on both the NASDAQ Over-the-Counter Bulletin Board and Pink Sheets, an electronic quotation system operated by Pink OTC Markets Inc.
37. From February 5, 2008 to February 27, 2009, the Respondent was FCCE USA's sole officer and held the titles of President, Principal Executive Officer, Secretary, Treasurer, Principal Financial Officer and Principal Accounting Officer. She was also FCCE USA's sole director from February 5, 2008 to April 30, 2009, when she resigned from that position.

38. On November 14, 2008, the Respondent became a shareholder of FCCE USA when she purchased 82.14% of FCCE' USA's outstanding common shares (or 32,920,000 shares) from her sister for \$292.⁴
39. Amongst her various roles within FCCE USA, the Respondent was responsible for completing and submitting regulatory filings with the United States Securities and Exchange Commission (the "SEC"), including the preparation and filing of FCCE USA's prospectus. She was also responsible for preparing financial statements and managing the company's cash flow. In addition, she had sole signing authority over FCCE USA's bank accounts and opened and operated the company's Head Office.
40. Between October and December 2008, four PSC clients for whom the Respondent was the mutual fund salesperson responsible for servicing their accounts at PSC (CCC, JCWW, MCYF and TML) traded shares of FCCE USA through Blackmont Capital Inc. ("Blackmont"), a Member of the Investment Industry Regulatory Organization of Canada. All four of those clients opened accounts at Blackmont in March and April 2008. The Blackmont new account application forms completed for clients CCC and JCWW indicated that they had been referred to Blackmont by the Respondent.

⁴ The Respondent is still a shareholder of FCCE USA, though on April 1, 2009 she (i) sold 24,395,000 of her FCCE USA shares (for \$243.95) to the individual who succeeded her as President of the company, and (ii) transferred an aggregate of 3,540,000 shares to five other individuals.

41. Blackmont account statements reveal that JCWW, MCYF and TML effected the following trades of FCCE USA shares:

Client	Amount of FCCE USA Shares Purchased or Sold and Unit Price	Total purchase price (Canadian \$)	Settlement Date
CCC	Buy 1300 @ \$10.00 per share	\$13,130.00	December 6, 2008
JCWW	Buy 1000 @ \$1.16 per share	\$1,120.00	October 30, 2008
	Buy 4000 @ \$.92 per share	\$3,795.00	November 10, 2008
	Sell 1000 @ \$10.00 per share	\$9,799.94	December 5, 2008
	Sell 500 @ \$28.00 per share	\$13,649.92	December 15, 2008
MCYF	Buy 1500 @ \$1.16 per share	\$1,840.00	October 23, 2008
TML	Buy 3000 @ \$1.16 per share	\$3,595.00	October 27, 2008
	Buy 1000 @ \$1.16 per share	\$1,160.00	October 28, 2008
	Sell 3000 @ \$10.00 per share	\$29,099.83	December 5, 2008

42. The Respondent's registration as a mutual fund salesperson did not permit her to advise or trade in FCCE USA shares on behalf of clients or other individuals.
43. The Respondent received \$85,000 from FCCE USA as reimbursement for expenses incurred in the set-up of the company, various administrative expenses incurred in its day to day operations and payment of director fees between February 5, 2008 and April 30, 2009.⁵
44. On November 29, 2008, the Respondent sent an email to her PSC branch manager at the material time requesting the following:

⁵ According to FCCE USA's unaudited financial statements dated August 31, 2009 (filed with the SEC on October 14, 2009), the Respondent was still owed \$118,592 by the company following her resignation for unpaid fees, as well as company expenses paid personally by her.

Dear [Branch Manager],

Could you please do me a favour to confirm if I can keep my licence with the branch as a non-resident representative (if I have my resident address change to California in the US) and have my assistant to do the services job.

45. On December 11, 2008, the Respondent sent a further email to her branch manager in which she stated the following:

Hi [Branch Manager],

It is always so warm to meet you. As I mentioned this afternoon, I am the CEO and President of a US co. to keep my US green card and will not affect my business practices through [PSC]. Is there anything I need to bring to your attention?

46. On January 28, 2009, the SEC issued an Order of Suspension of Trading in respect of FCCE USA for the period from January 28, 2009 to February 10, 2009. The Order stated the following:

It appears to the [SEC] that the public interest and the protection of investors require a suspension of trading in the securities of [FCCE USA]. Questions have arisen concerning recent trading activity in the company's stock during which its share price increased from \$0.92 to \$28.50. Questions have also arisen concerning the accuracy and adequacy of publicly available information regarding its potential acquisition of another company...

47. On February 2, 2009, a reporter from the Vancouver Sun called the Respondent to inquire about the SEC's Order of Suspension of Trading in respect of FCCE USA. Immediately after that call, the Respondent attempted to contact her branch manager, but was unable to speak with him. She therefore sent him the following email:

Hi [Branch Manager], Here is some updated information regarding the e-mail I sent on Dec. 11, 2008.

The US company I am involving in running the day-to-day administrative jobs as the President & CEO called Future Canada China Environment Inc. currently listed at OTC BB in the US. Since some of the US Co's administrative jobs done in BC, the Future Canada China Environment Inc. also do the corporate filing as it does in the US according to the new regulation from BCSC effective September 19, 2008. Please let me know if this disclosure is sufficient? Or be free to contact me ... if more information need to be provided.

48. On February 4, 2009, the Vancouver Sun released an article in respect of the SEC's Order of Suspension of Trading in respect of FCCE USA and the Respondent's involvement in running that company.
49. On February 4, 2009, following the release of an article by the Vancouver Sun about the SEC's Order of Suspension of Trading in respect of FCCE USA and the Respondent's involvement in running that company, as well as the February 2, 2009 email from the Respondent to her then branch manager which email was forwarded by the branch manager to PSC's compliance department, PSC terminated the Respondent.
50. On February 9, 2009, FCCE USA's shares were delisted from the NASDAQ Over-the-Counter Bulletin Board and Pink Sheets due to a failure to comply with American securities rules and regulations.
51. Other than mentioning an association with FCCE USA to her branch manager as described in paragraph 45 and her more fulsome email to her branch manager as described in paragraph 47, the Respondent agrees that she did not seek or obtain approval from PSC to commence or continue her activities in FCCE USA, nor did she seek or obtain approval from PSC to recommend or facilitate the sale of FCCE USA shares to clients and other individuals.

The Respondent's Termination by PSC

52. Following the Respondent's termination, PSC conducted an investigation into her activities, including a review of her client files, and found documents establishing the following, among other things:
- a) she had distributed brochures and other materials related to Maple Leaf, FCCE Canada and FCCE USA to clients and other individuals;
 - b) evidence that she had discussed investments in Maple Leaf, FCCE Canada and FCCE USA with clients and other individuals;
 - c) evidence that she had recommended to client FC that she open the TD Waterhouse Account in order to trade Maple Leaf shares;
 - d) evidence that she had sold shares of Maple Leaf held by clients FC and AT in the TD Waterhouse Account on five separate occasions between July 19, 2007 and October 23, 2007; and
 - e) evidence that she had recommended the purchase of Maple Leaf shares for at least one non-client.

V. CONTRAVENTIONS

53. By engaging in the conduct described above, the Respondent admits the following:
- a) Between July 2007 and February 4, 2009, she had and continued in another gainful occupation that was not disclosed to and approved by the Member by:
 - i. acting as Vice-President, Public Relations of Maple Leaf;
 - ii. acting as an agent or employee for FCCE Canada; and
 - iii. acting as President, CEO and director for FCCE USA;

contrary to MFDA Rules 1.2.1(d)⁶ and 2.1.1.

- b) Between July 2007 and February 27, 2009, she engaged in securities related business that was not carried on for the account and through the facilities of the Member, nor permitted by the terms of her registration as a mutual fund salesperson by:
- i. recommending or facilitating the sale of shares in Maple Leaf, FCCE Canada and FCCE USA to clients and other individuals, contrary to MFDA Rules 1.1.1(a) and 2.1.1; and
 - ii. on five occasions between July 19, 2007 and October 23, 2007, selling Maple Leaf shares held by client FYCC and FYCC's husband, AT, in an online trading account at TD Waterhouse pursuant to FYCC's and AT's request, contrary to MFDA Rule 2.1.1; and
- c) Between July 2007 and February 27, 2009, she engaged in activities that gave rise to conflicts or potential conflicts of interest between her interests and the interests of clients, which conflicts she failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients by:
- i. recommending or facilitating the sale of Maple Leaf shares to clients JCWW, MCYF, FYCC, CCL, HFL, MCL, CYC, WCAT and YSL while she was a shareholder and an agent or employee of Maple Leaf;
 - ii. recommending or facilitating the sale of FCCE Canada shares to clients TMC, MCL, SYH/HMC, WCS, HFL/CCL, CJL and JFC, and

⁶ Effective February 22, 2011, the Rules of the MFDA were amended. All of the regulatory requirements referred to in this Notice of Hearing reflect the Rules that were in effect at the material times. Some of those Rules have since been amended. For example, Rule 1.2.1(d), which is referred to in this Notice of Hearing, has been re-numbered as current Rule 1.2.1(c).

other individuals while she was an agent or employee of FCCE Canada; and

- iii. recommending, facilitating or referring the sale of FCCE USA shares to clients JCWW, MCYF, TML and CCC while she was a shareholder, officer and director of FCCE USA;

contrary to MFDA Rules 2.1.4, 2.4.2 and 2.1.1.

VI. TERMS OF SETTLEMENT

54. The Respondent agrees to the following terms of settlement:

- a) She shall pay a fine in the amount of \$45,000, pursuant to section 24.1(b) of By-law No. 1, upon the acceptance of this Settlement Agreement;
- b) She shall be prohibited from acting as a mutual fund salesperson for a period of 10 years, pursuant to section 24.1(c) of By-law No. 1, upon the acceptance of this Settlement Agreement;
- c) She shall pay the costs of this proceeding in the amount of \$5,000, pursuant to section 24.2 of By-law No. 1, upon the acceptance of this Settlement Agreement; and
- d) She will attend in person on the date set for the Settlement Hearing.

VII. STAFF COMMITMENT

55. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts set out in Part IV and the contraventions described in Part V of this Settlement Agreement, subject to the provisions of Part IX below. 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 Parts IV and V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions set out in Parts IV and V, 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.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

56. Acceptance of this Settlement Agreement shall be sought at a hearing of the Pacific Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent.
57. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the settlement hearing. Staff and the Respondent also agree that if this Settlement Agreement is accepted by the Hearing Panel, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive her 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.
58. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, then she 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.
59. Staff and the Respondent agree that, if this Settlement Agreement is accepted by the Hearing Panel, 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 it her.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

60. 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 section 24.3 of the By-laws of the MFDA against her based on, but not limited to, the facts set out in Part IV of the 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.

X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

61. If, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel or an Order in the form attached as Schedule "A" is not made 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 this Settlement Agreement or the settlement negotiations.
62. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that she will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the MFDA of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

XI. DISCLOSURE OF AGREEMENT

63. 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.

64. Any obligations of confidentiality shall terminate upon acceptance of this Settlement Agreement by the Hearing Panel.

XII. EXECUTION OF SETTLEMENT AGREEMENT

65. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

66. A facsimile copy of any signature shall be effective as an original signature.

Dated: January 12th, 2012

“Hsi Chun Chiang”

Hsi Chun (Jessica) Chiang

“Robert W. Cooper”

Witness - Signature

Robert W. Cooper

Witness - Print name

“Shaun Devlin”

Staff of the MFDA
Per: Shaun Devlin
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: Hsi Chun Chiang

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 Hsi Chun (Jessica) Chiang (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated January , 2012 (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 By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that:

1. Between July 2007 and February 4, 2009, the Respondent had and continued in another gainful occupation that was not disclosed to and approved by the Member by:

- i. acting as Vice-President, Public Relations of Maple Leaf Reforestation Inc. (“Maple Leaf”);
- ii. acting as an agent or employee for Future Canada China Environment Inc. (Canada) (“FCCE Canada”); and
- iii. acting as President, CEO and director for Future Canada China Environment Inc. (USA) (“FCCE USA”);

contrary to MFDA Rules 1.2.1(d)⁷ and 2.1.1.

2. Between July 2007 and February 27, 2009, she engaged in securities related business that was not carried on for the account and through the facilities of the Member, nor permitted by the terms of her registration as a mutual fund salesperson by:

- i. recommending or facilitating the sale of shares in Maple Leaf, FCCE Canada and FCCE USA to clients and other individuals, contrary to MFDA Rules 1.1.1(a) and 2.1.1; and
- ii. on five occasions between July 19, 2007 and October 23, 2007, selling Maple Leaf shares held by client FYCC and FYCC’s husband, AT, in an

⁷ Effective February 22, 2011, the Rules of the MFDA were amended. All of the regulatory requirements referred to in this Notice of Hearing reflect the Rules that were in effect at the material times. Some of those Rules have since been amended. For example, Rule 1.2.1(d), which is referred to in this Notice of Hearing, has been re-numbered as current Rule 1.2.1(c).

online trading account at TD Waterhouse pursuant to FYCC's and AT's request, contrary to MFDA Rule 2.1.1; and

3. Between July 2007 and February 27, 2009, she engaged in activities that gave rise to conflicts or potential conflicts of interest between her interests and the interests of clients, which conflicts she failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients by:
 - i. recommending or facilitating the sale of Maple Leaf shares to clients JCWW, MCYF, FYCC, CCL, HFL, MCL, CYC, WCAT and YSL while she was a shareholder and an agent or employee of Maple Leaf;
 - ii. recommending or facilitating the sale of FCCE Canada shares to clients TMC, MCL, SYH/HMC, WCS, HFL/CCL, CJL and JFC, and other individuals while she was an agent or employee of FCCE Canada; and
 - iii. recommending, facilitating or referring the sale of FCCE USA shares to clients JCWW, MCYF, TML and CCC while she was a shareholder, officer and director of FCCE USA;

contrary to MFDA Rules 2.1.4, 2.4.2 and 2.1.1.

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which the Respondent shall:

1. pay a fine in the amount of \$45,000, pursuant to section 24.1(b) of MFDA By-law No. 1, upon the acceptance of this Settlement Agreement;

2. be prohibited from acting as a mutual fund salesperson for a period of 10 years, pursuant to section 24.1(c) of MFDA By-law No. 1, upon the acceptance of this Settlement Agreement; and
3. pay the costs of this proceeding in the amount of \$5,000, pursuant to section 24.2 of MFDA By-law No. 1, upon the acceptance of this Settlement Agreement; and

DATED this 12th day of January, 2012.

Per: _____

The Hon. Benjamin Casson, Q.C., Chair

Per: _____

Elaine Davison, Industry Representative

Per: _____

Robert Polischuk, Industry Representative

Doc 281826