



**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: Navdeep Singh Sandhu**

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**SETTLEMENT AGREEMENT**

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**I. INTRODUCTION**

1. Staff of the Mutual Fund Dealers Association of Canada (“Staff”) and Navdeep Singh Sandhu (“Respondent”), consent and agree to settlement of this matter by way of this agreement (“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 MFDA:

- a) between April 2010 and June 2016, the Respondent obtained, possessed and used to process transactions, 83 pre-signed account forms in respect of 10 clients, contrary to MFDA Rule 2.1.1.

5. Staff and the Respondent agree and consent to the following terms of settlement:

- a) the Respondent shall be prohibited from acting in the capacity as a branch manager or supervisor while in the employ of or associated with any Member of the MFDA for a period of 12 months, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- b) the Respondent shall successfully complete the Branch Manager Course offered by the Canadian Securities Institute prior to acting as a branch manager;
- c) the Respondent shall pay a fine in the amount of \$15,000, pursuant to section 24.1.1(b) of By-law No. 1;
- d) the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1;
- e) the Respondent shall in the future comply with MFDA Rule 2.1.1; and
- f) the Respondent will attend in person, 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 Part III herein and consent to the making of an Order in the form attached as Schedule "A".

### **III. AGREED FACTS**

#### **Registration History**

7. The Respondent has been registered in the securities industry since 2000.

8. Since April 29, 2016, the Respondent has been registered in British Columbia as a dealing representative with WFG Securities Inc. (“WFG”), a Member of the MFDA.

9. Between April 30, 2012 and April 25, 2016, the Respondent was registered as a mutual fund salesperson in British Columbia with Networth Financial Corp. (“Networth”), a Member of the MFDA. During this period, Networth designated the Respondent as a Branch Manager.

10. Between June 8, 2004 and April 30, 2012, the Respondent was registered as a mutual fund salesperson in British Columbia with WFG. Between June 9, 2004 and April 30, 2012, WFG designated the Respondent as a Branch Manager.

11. At all material times, the Respondent carried on business in the Surrey, British Columbia area.

### **Pre-Signed Forms**

12. At all material times, WFG’s policies and procedures prohibited its Approved Persons from obtaining or maintaining pre-signed blank or partially completed account forms to conduct business.

13. Between April 2010 and June 2016, the Respondent obtained, possessed and used to process transactions, 83 pre-signed account forms with respect of 10 clients. The pre-signed account forms consisted of the following:

- a) 55 trade tickets;
- b) 11 KYC/NAAF forms;
- c) 6 Account Applications;
- d) 3 Transfer Forms; and
- e) 8 Dealer Rep Code Change Forms.

## **WFG's Investigation**

14. WFG identified the pre-signed forms that are the subject of this Settlement Agreement on June 10, 2016 during a routine audit of the client files maintained by the Respondent. WFG subsequently commenced an investigation into the Respondent's activities.

15. WFG sent letters to all of the Respondent's clients to confirm transactions in their accounts. WFG did not receive any responses to its letter raising any concerns.

16. On July 21, 2016, WFG placed the Respondent on close supervision for a period of 1 year.

## **Additional Factors**

17. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

18. There is no evidence that:

- a) the Respondent processed any trades or changes to client information without the knowledge or authorization of his clients;
- b) clients suffered any financial loss as a result of the Respondent's conduct;
- c) the Respondent received any financial benefit from engaging in the misconduct beyond the commissions or fees to which he would have been ordinarily entitled had the transactions in the clients' accounts been carried out in the proper manner; and
- d) any clients have complained about the Respondent's conduct.

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

19. 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.

20. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (“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).

21. 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.

22. 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 waives any 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;
- c) Staff will not initiate any proceeding under the By-laws of the MFDA 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. 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.

23. 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.

24. 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.

25. 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 20<sup>th</sup> day of October, 2017.

“Navdeep Singh Sandhu”

\_\_\_\_\_  
Navdeep Singh Sandhu

“NKG”

\_\_\_\_\_  
Witness – Signature

NKG

\_\_\_\_\_  
Witness – Print Name

“Shaun Devlin”

\_\_\_\_\_  
Shaun Devlin

Staff of the MFDA

Per: Shaun Devlin

Senior Vice-President,

Member Regulation – Enforcement

**Schedule “A”**

**Order**

**File No. 2017109**



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PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF  
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**ORDER**

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**WHEREAS** on [date], the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Navdeep Singh Sandhu (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 By-law No. 1;

**AND WHEREAS** the Hearing Panel is of the opinion that the Respondent, between April 2010 and June 2016, the Respondent obtained, possessed and used to process transactions, 83 pre-signed account forms in respect of 10 clients, contrary to MFDA Rule 2.1.1.

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



1. the Respondent shall be prohibited from acting in the capacity as a branch manager or supervisor while in the employ of or associated with any Member of the MFDA for a period of 12 months, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
2. the Respondent shall successfully complete the Branch Manager Course offered by the Canadian Securities Institute prior to acting as a branch manager;
3. the Respondent shall pay a fine in the amount of \$15,000, pursuant to section 24.1.1(b) of By-law No. 1;
4. the Respondent shall pay costs in the amount of \$2,500, pursuant to section 24.2 of By-law No. 1; and
5. 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]