



**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: Anu Bala Jain**

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**ORDER**

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**WHEREAS** on February 17, 2012, 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 Anu Bala Jain (the “Respondent”);

**AND WHEREAS** the Respondent entered into a settlement agreement with Staff of the MFDA, dated February 15, 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** on the basis of the facts set out in Parts IV and V of the Settlement Agreement and the contraventions admitted by the Respondent in Part VI of the Settlement Agreement, the Hearing Panel is of the opinion 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 manger 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)<sup>1</sup> 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.

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

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<sup>1</sup> On January 21, 2011, amendments to the numbering and wording of certain MFDA Rules came into effect as a consequence of which, former MFDA Rule 2.5.3 is now amended and incorporated into Rule 2.5.5.

1. 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 this Order, pursuant to s. 24.1.1(c) of MFDA By-law No. 1;
2. 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, pursuant to s. 24.1.1(f) of MFDA By-law No. 1;
3. The Respondent shall pay a fine in the amount of \$20,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1;
4. The Respondent shall pay the costs of this proceeding in the amount of \$2,500, pursuant to s. 24.2 of MFDA By-law No. 1;
5. The fine and the costs referenced in this Order 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.
6. If the Respondent fails to pay all or part of the fine installments on the dates when the installments are due in accordance with section 5 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 (as referenced in section 1 above) shall be extended by the total number of days that any installment payments remain or remained in arrears.

7. Prior to conducting securities related business while in the employ of or associated with a Member of the MFDA following the one year suspension described in section 1 above (and any additional period of suspension that is applicable pursuant to section 6 above), 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.

**DATED** this 27<sup>th</sup> day of February, 2012.

“John Webber”

The Hon. John Webber, Q.C.,  
Chair

“Susan Schulze”

Susan L. Schulze,  
Industry Representative

“Brigitte Geisler”

Brigitte Geisler,  
Industry Representative