



**Mutual Fund Dealers Association of Canada**  
Association canadienne des courtiers de fonds mutuels

**IN THE MATTER OF A DISCIPLINARY HEARING  
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF  
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**Re: Faisal Amin Satti and Kamran Ghani**

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**ORDER**

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**WHEREAS** on April 20, 2012, the Mutual Fund Dealers Association of Canada (“MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of a disciplinary proceeding commenced against Faisal Amin Satti (“Satti”) and Kamran Ghani (“Ghani”) (collectively, “the Respondents”);

**AND WHEREAS** a first appearance in this matter was held before a hearing panel of the Central Regional Council of the MFDA (“Hearing Panel”) on June 25, 2012, at which time Staff of the MFDA (“Staff”) brought a motion for an order for substituted service of the Notice of Hearing on the Respondents which was granted by the Hearing Panel;

**AND WHEREAS** a hearing on the merits of this matter was conducted on August 27, 2012 (“Hearing”) in Toronto, Ontario before the Hearing Panel;

**AND WHEREAS** the Respondents (either separately or together) did not deliver or file a Reply in these proceedings; did not attend at the Hearing; were not represented by counsel at the Hearing; and did not otherwise participate in the Hearing;

**AND WHEREAS** the Hearing Panel considered the evidence, including:

- the affidavit of Stephen Davis (“Mr. Davis”) with attached exhibits numbered 1-48, sworn August 17, 2012;
- the evidence given by Mr. Davis in person at the Hearing;
- other affidavits and materials filed and marked as exhibits at the First Appearance and the Hearing; and
- the written and oral submissions of Staff of the MFDA;

**AND WHEREAS** the Hearing Panel finds that:

1. Between January 2008 and May 2008, Satti engaged in conduct unbecoming an Approved Person by intentionally submitting client account opening documents and loan applications for 22 clients that contained false and misleading information, contrary to MFDA Rule 2.1.1;
2. In almost all instances in Allegation #1 above in which Satti submitted documents containing false or misleading information, Satti had the clients sign the documents with limited or no information populated on the documents and thereafter Satti completed the documents using information he knew to be false or misleading, thereby engaging in conduct unbecoming an Approved Person by obtaining and using blank pre-signed forms, contrary to MFDA Rule 2.1.1;
3. Between November 5, 2007 and October 28, 2008, Satti engaged in conduct unbecoming an Approved Person by fabricating documents in respect of 15 clients that he submitted in support of new client account applications and loan applications, contrary to MFDA Rule 2.1.1;
4. Between February 2008 and March 2008, Satti engaged in conduct unbecoming an Approved Person by opening accounts in the names of IH and SV, each of whom he had never met, and thereafter obtaining investment loans in the names of IH and SV and using the loan proceeds to purchase mutual funds for the accounts of IH and SV, all without the knowledge or approval of IH and SV, contrary to MFDA Rule 2.1.1;

5. In or about August 2008, Satti met with MK and obtained MK's signature on another Member's account opening documents and a loan application for the purpose of implementing through that other Member a leveraged investment strategy that Satti had recommended to MK, which documents Satti then provided to Ghani in October 2008 for processing through that other Member, thereby engaging in securities related business that was not carried on for the account and through the facilities of Satti's Member and failing to treat MK fairly, honestly and in good faith, contrary to MFDA Rules 1.1.1(a) and 2.1.1;

6. By engaging in the conduct described in Allegation #5 above, Ghani failed to learn the essential facts relative to each client and each order accepted and failed to treat MK fairly, honestly and in good faith, contrary to MFDA Rules 2.2.1 and 2.1.1;

7. Between February 2008 and May 2008, Satti facilitated stealth advising by Ghani, who was not registered as a mutual fund salesperson at the material time, by opening accounts for 12 clients under his (Satti's) representative code, processing investment loan applications for the clients and purchasing mutual funds for the accounts of the clients, contrary to MFDA Rules 2.2.1 and 2.1.1; and

8. On or about June 9, 2008, Satti submitted an application for employment to an MFDA Member containing false or misleading information and thereafter made false or misleading representations to the Member concerning matters relating to the application, thereby engaging in conduct unbecoming an Approved Person, contrary to MFDA Rule 2.1.1.

**IT IS HEREBY ORDERED THAT:**

1. Satti is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

2. Ghani is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

3. Satti shall pay a global fine in the amount of \$500,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;

4. Ghani shall pay a global fine in the amount of \$150,000 pursuant to s. 24.1.1(b) of MFDA By-law No. 1;

5. Satti shall pay costs in the amount of \$7,500, pursuant to s. 24.2 of MFDA By-law No. 1;  
and

6. Ghani shall pay costs in the amount of \$7,500, pursuant to s. 24.2 of MFDA By-law No. 1.

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

“Frederick H. Webber”

Frederick H. Webber,  
Chair

“Simon Destrepes”

Simon Destrepes,  
Industry Representative

“David W. Kerr”

David W. Kerr,  
Industry Representative