



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: Ayokunnu Are

ORDER

WHEREAS on October 2, 2012, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to section 20.1 of By-law No. 1 in respect of Ayokunnu Are (the “Respondent”);

AND WHEREAS on November 16, 2012, the Respondent delivered a Reply to the Notice of the Hearing

AND WHEREAS on September 9-13, 2013, the misconduct phase of the hearing of this matter on its merits commenced before a Hearing Panel of the Central Regional Council of the MFDA (the “Hearing Panel”), following which the Hearing Panel adjourned the hearing of this matter on its merits to May 21-23, 2014;

AND WHEREAS on May 22, 2014, the Hearing Panel heard a motion by the Respondent to remove the Chair of the Hearing Panel;

AND WHEREAS on May 23, 2014, the misconduct phase of the hearing of this matter on its merits was completed, following which the Hearing Panel reserved judgment on the issue of misconduct;

AND WHEREAS on October 16, 2014, the Hearing Panel dismissed a motion by the Respondent to remove the Chair of the Hearing Panel;

AND WHEREAS on October 20, 2014, the Hearing Panel released its Reasons and Decisions (Misconduct) and concluded that the Respondent engaged in the following contraventions of the By-laws, Rules or Policies of the MFDA:

- (a) between about August 2005 and January 2008, the Respondent engaged in securities related business that was not carried on for the account and through the facilities of the Member by recommending, selling, facilitating the sale of, or making referrals in respect of the sale of at least \$2.8 million of promissory notes to at least 5 clients and 24 other individuals outside the Member, contrary to MFDA Rules 1.1.1, 2.4.2 and 2.1.1;
- (b) between about August 2005 and January 2008, the Respondent had and continued in another gainful occupation which was not disclosed to and approved by the Member by recommending, selling, facilitating the sale of, or making referrals in respect of the sale of at least \$2.8 million of promissory notes to at least 5 clients and 24 other individuals outside the Member, contrary to MFDA Rules 1.2.1(d)¹ and 2.1.1; and
- (c) commencing in May 2011, the Respondent failed to cooperate with an investigation conducted by MFDA Staff, when he refused to provide documents and other information requested by MFDA Staff, contrary to section 22.1 of MFDA By-law No. 1.

AND WHEREAS on July 8, 2015, the Hearing Panel heard penalty submissions by the parties, following which the Hearing Panel reserved judgment on the issue of penalty;

AND WHEREAS the Respondent was represented by an agent (who was a lawyer licensed in the United States) throughout the proceeding;

¹ On December 3, 2010, MFDA Rule 1.2.1(d) was renumbered as MFDA Rule 1.2.1(c).

IT IS HEREBY ORDERED THAT:

1. the Respondent shall be permanently prohibited from conducting securities related business in any capacity over which the MFDA has jurisdiction, pursuant to s. 24.1.1(e) of MFDA By-law No. 1.
2. the Respondent shall pay a fine in the amount of \$725,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1.
3. the Respondent shall pay costs in the amount of \$20,000, pursuant to s. 24.2 of MFDA By-law No. 1.
4. If at any time a non-party to this proceeding requests production of, or access to, any materials filed in, or the record of, this proceeding, including all exhibits and transcripts, then the MFDA Corporate Secretary shall not provide copies of, or access to, the requested documents to the non-party without first redacting from them any and all intimate financial or personal information, pursuant to Rules 1.8(2) and (5) of the MFDA Rules of Procedure.

DATED this 16th day of October, 2015.

“Edward Saunders”

The Hon. Edward Saunders, Q.C.
Chair

“Brigitte Geisler”

Brigitte Geisler
Industry Representative

“Robert C. White”

Robert C. White
Industry Representative