

## Notice of Hearing

File No. 200803



**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: Joplin Leclair**

### **NOTICE OF HEARING**

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**NOTICE** is hereby given that a first appearance will take place by teleconference before a Hearing Panel of the Regional Council of the Central Region of the Mutual Fund Dealers Association of Canada (the "MFDA"), in the hearing room located at 121 King Street West, Suite #1000, Toronto, Ontario on Monday, March 31, 2008, at 10:00 a.m. or as soon thereafter as the hearing can be held, concerning a disciplinary proceeding commenced by the MFDA against Joplin Leclair (the "Respondent").

**DATED** at Toronto this 11th day of February 2008.

"Gregory J. Ljubic"

Gregory J. Ljubic  
Corporate Secretary

Mutual Fund Dealers Association of Canada  
121 King St. West  
Suite 1000  
Toronto, Ontario  
M5H 3T9  
Telephone: (416) 943-5836  
Fax: (416) 361-9781  
E-mail: [corporatesecretary@mfd.ca](mailto:corporatesecretary@mfd.ca)

**NOTICE** is further given that the MFDA alleges the following violations of the By-laws, Rules or Policies of the MFDA:

**Allegation #1:** Between October 2006 and August 2007, the Respondent solicited and accepted a total of \$250,000 from two individuals which she failed to repay or otherwise account for, contrary to MFDA Rule 2.1.1.

**Allegation #2:** Between October 2006 and August 2007, the Respondent engaged in a gainful occupation outside the business of the Member without so advising the Member and obtaining approval of the Member, contrary to MFDA Rule 1.2.1(d).

**Allegation #3:** Commencing June 25, 2007, the Respondent failed to attend and give information to the MFDA during the course of an investigation, contrary to section 22.1(c) of MFDA By-law No. 1.

### **PARTICULARS**

**NOTICE** is further given that the following is a summary of the facts alleged and intended to be relied upon by the MFDA at the hearing:

#### **Registration History**

1. Between September 22, 2006 and May 16, 2007, the Respondent was registered in Ontario as an Officer (Trading) of ASL Direct Inc. (“ASL”).
2. ASL has been a Member of the MFDA since March 4, 2003.

### **Allegation #1**

3. On October 26, 2006, approximately one month after she commenced employment with ASL, the Respondent incorporated a company called Global Xchange Capital Inc. (“Global”).
4. Global purportedly carried on business providing loans to consumers who could not obtain loans from traditional lenders. The Respondent solicited entrepreneurs who were having difficulties obtaining loans for business ventures and purported to provide loans through Global.
5. The Respondent neither disclosed her involvement in Global to ASL nor obtained permission from ASL to have and continue in another gainful occupation.
6. On January 12, 2007, the Respondent entered into an agreement with PG<sup>1</sup> pursuant to which Global would provide him with a loan of \$840,000 USD. The Respondent advised PG that he was required to forward \$100,000 USD to Global in order to obtain loan insurance before Global could advance the funds.
7. On January 15, 2007, PG forwarded the \$100,000 USD to Global by wire transfer. PG has never received the promised loan or evidence of loan insurance. The Respondent has not returned or otherwise accounted for the funds advanced to her by PG, thereby failing to meet the standard of conduct required for Approved Persons set out in MFDA Rule 2.1.1.
8. CP<sup>2</sup> was also a client of Global. The Respondent advised CP that Global could provide him with a loan of \$4,100,000 to fund his business activities. The

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<sup>1</sup> PG was not a client of ASL.

<sup>2</sup> CP was not a client at ASL.

Respondent advised CP that he was required to forward \$150,000 USD to Global in order to obtain loan insurance before Global could advance the funds.

9. On February 5, 2007, CP forwarded a bank draft in the amount of \$150,000 USD to Global in order to obtain loan insurance. CP has never received the promised loan or evidence of loan insurance. The Respondent has not returned or otherwise accounted for the funds advanced to her by CP, thereby failing to meet the standard of conduct required for Approved Persons set out in MFDA Rule 2.1.1.

### **Allegation #2**

10. As a requirement of MFDA Rule 1.2.1(d) and as a condition of her employment with ASL, the Respondent was required to, among other things, make ASL aware of and receive approval from ASL prior to having and continuing in another gainful occupation outside ASL.
11. On September 28, 2006, the Respondent acknowledged and accepted the terms and conditions of her employment with ASL by signing a Principal/Agent agreement that outlined the policies and procedures of ASL.
12. The Respondent neither disclosed her involvement in Global to ASL nor obtained permission from ASL to have and continue in another gainful occupation, contrary to MFDA Rule 1.2.1(d) and the terms of her employment with ASL.

### **Allegation #3**

13. On March 26, 2007, MFDA Staff (“Staff”) contacted ASL after receiving a complaint by PG concerning the Global loan arrangement. ASL had previously been unaware of the Respondent’s involvement in Global. Staff required ASL to obtain a statement from the Respondent concerning the allegations made against her by PG.

14. On April 19, 2007, the Respondent replied to Staff in writing, but through the Member, and admitted to conducting outside business activities with PG.
15. On April 20, 2007, Staff requested additional information from the Member regarding the Respondent's outside business activities.
16. On April 26, 2007, the Respondent replied by email requesting an extension to respond to Staff's request as she had been unable to contact her lawyer.
17. On May 7, 2007, ASL contacted the MFDA and informed Staff that they were no longer able to contact the Respondent. On May 16, 2007, ASL terminated the Respondent for conducting undisclosed outside business activities and failing to cooperate with the Member's own investigation.
18. On June 25, 2007, Staff sent a letter to the Respondent at the address listed on National Registration Database ("NRD"), by regular and registered mail, requesting her cooperation with the investigation. Both letters were returned to the MFDA marked "undeliverable".
19. On August 13, 2007, Staff contacted the Respondent's legal counsel in an attempt to contact her. Counsel advised that he no longer represented the Respondent and did not have any means of contact.
20. On August 13 and 14, 2007, Staff attempted to contact the Respondent through the telephone numbers listed on Canada411 to request her cooperation with the MFDA investigation. Staff received a recorded message stating that the numbers could not accept messages and were disconnected.
21. On August 14, 2007, Staff attempted to contact the Respondent at her last known business email address to request her cooperation with the MFDA investigation.

Although a delivery confirmation was requested and received, the Respondent did not respond.

22. On August 27, 2007, Staff attempted to contact the Respondent at her personal email account to request her cooperation with the MFDA investigation. Although a delivery confirmation was requested and received, the Respondent did not respond.
23. On September 10, 2007, Staff attempted to contact the Respondent at the number provided for Global to request her cooperation with the MFDA investigation. The number was no longer in service.
24. To date, the Respondent has failed to attend and give information as requested by the MFDA, contrary to Section 22.1 section (c) of MFDA By-Law No. 1.

**NOTICE** is further given that the Respondent shall be entitled to appear and be heard and be represented by counsel or agent at the hearing and to make submissions, present evidence and call, examine and cross-examine witnesses.

**NOTICE** is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;

- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
  - (i) \$5,000,000.00 per offence; and
  - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
- (c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;
- (d) revocation of the authority of such person to conduct securities related business;
- (e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time;
- (f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel;

**NOTICE** is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

**NOTICE** is further given that the Respondent must **serve** a **Reply** on Enforcement Counsel and **file** a **Reply** with the Corporate Secretary within twenty (20) days from the date of service of this Notice of Hearing.

A **Reply** shall be **served** upon Enforcement Counsel at:

Mutual Fund Dealers Association of Canada  
121 King Street West  
Suite 1000  
Toronto, ON M5H 3T9

Attention: Maria L. Abate

Fax: (416) 361 - 9073  
Email: mabate@mfd.ca

A **Reply** shall be **filed** by:

- (a) providing 4 copies of the **Reply** to the Corporate Secretary by personal delivery, mail or courier to:

The Mutual Fund Dealers Association of Canada  
121 King Street West  
Suite 1000  
Toronto, ON M5H 3T9  
Attention: Office of the Corporate Secretary; or

- (b) transmitting 1 copy of the **Reply** to the Corporate Secretary by fax to fax number (416) 361-9781, provided that the Reply does not exceed 16 pages, inclusive of the covering page, unless the Corporate Secretary permits otherwise; or
- (c) transmitting 1 electronic copy of the **Reply** to the Corporate Secretary by e-mail at CorporateSecretary@mfd.ca.

A **Reply** may either:



- (i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

**NOTICE** is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

**NOTICE** is further given that if the Respondent fails:

- (a) to **serve** and **file** a **Reply**; or
- (b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-Laws.

**End.**

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