



**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: Gurpreet Singh Bansal**

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**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 Pacific Regional Council (“Hearing Panel”) of the Mutual Fund Dealers Association of Canada (“MFDA”) in the hearing room at the offices of the MFDA, located at 650 West Georgia Street, Suite 1220, Vancouver, British Columbia on September 13, 2016 at 9:30 a.m. (Pacific), concerning a disciplinary proceeding commenced by the MFDA against Gurpreet Singh Bansal (the “Respondent”). The Hearing on the Merits will take place in Vancouver, British Columbia at a time and venue to be announced.

**DATED** this 23<sup>rd</sup> day of August, 2016.

“Sarah Rickard”

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Sarah Rickard  
Director of Regional Councils

Mutual Fund Dealers Association of Canada  
121 King Street West, Suite 1000  
Toronto, ON M5H 3T9  
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Email: [corporatesecretary@mfda.ca](mailto:corporatesecretary@mfda.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 July 12, 2012 and December 10, 2013, the Respondent obtained, maintained and used 87 pre-signed account forms in order to process transactions on behalf of 37 clients, contrary to MFDA Rule 2.1.1.

### **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. From July 12, 2012 to December 10, 2013 when he resigned, the Respondent was registered in British Columbia as a mutual fund salesperson (now known as a Dealing Representative) with Desjardins Financial Security Investments Inc. (“Desjardins”), a Member of the MFDA.
2. From July 2010 to January 2012, the Respondent was previously registered in British Columbia as a mutual fund salesperson with WFG Securities Inc. (formerly known as Transamerica Securities Inc.), a Member of the MFDA.
3. The Respondent is not currently registered in the securities industry in any capacity.
4. At all material times, the Respondent carried on business from a branch office of Desjardins located in Kelowna, British Columbia.

## **Pre-Signed Account Forms**

5. At all material times, Desjardins' policies and procedures prohibited its Approved Persons from obtaining, maintaining or using pre-signed blank or partially completed account forms to conduct business.

6. Between July 12, 2012 and December 10, 2013, the Respondent obtained, maintained and used 87 pre-signed account forms in order to process transactions on behalf of at least 37 clients. The pre-signed account forms consisted of the following:

- (a) 12 account opening forms;
- (b) 2 Registered Savings Plan application forms;
- (c) 13 change of dealer forms;
- (d) 14 account transfer forms;
- (e) 25 letters of direction;
- (f) 3 Education Savings Plan application forms;
- (g) 7 Tax Free Savings Account forms;
- (h) 8 Investor Questionnaires;
- (i) 2 account modification forms; and
- (j) 1 trade ticket.

7. Desjardins detected the conduct described herein in August 2013 during a routine audit of the client files maintained by the Respondent. Desjardins subsequently commenced an investigation into the Respondent's activities.

8. The Respondent admitted that he obtained, maintained and used pre-signed account forms in response to inquiries from Desjardins and the MFDA.

9. Desjardins sent letters to all of the clients serviced by the Respondent to determine whether the Respondent had engaged in any unauthorized trading in client accounts. None of the clients reported any such concerns to Desjardins.

10. On September 26, 2013, Desjardins placed the Respondent on close supervision.
11. On December 10, 2013, Respondent submitted his resignation to Desjardins.
12. 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 harm 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.
13. By engaging in the conduct described above the Respondent obtained, maintained and used 87 pre-signed account forms in order to process transactions on behalf of 37 clients, contrary to MFDA Rule 2.1.1.

**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 Office of 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  
Pacific Regional Office  
650 West Georgia Street, Suite 1220  
Vancouver, BC V6B 4N9  
Attention: Christopher Corsetti  
Fax: (604) 683-6577  
Email: [ccorsetti@mfd.ca](mailto:ccorsetti@mfd.ca)

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

- (a) providing four (4) copies of the **Reply** to the Office of 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 one (1) copy of the **Reply** to the Office of 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 Office of the Corporate Secretary permits otherwise; or
- (c) transmitting one (1) electronic copy of the **Reply** to the Office of the Corporate Secretary by e-mail at [corporatesecretary@mfd.ca](mailto: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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