



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: Mark Faiz Sakkejha

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (the “MFDA”) will announce that it proposes to hold a hearing to consider whether, pursuant to section 24.4 of By-law No. 1, a hearing panel of the Central Regional Council (the “Hearing Panel”) of the MFDA should accept the settlement agreement (the “Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and the Respondent, Mark Faiz Sakkejha.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff conducted an investigation of the Respondent’s activities. The investigation disclosed that the Respondent had engaged in activity for which the Respondent could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No. 1.

3. Staff and the Respondent recommend settlement of the matters disclosed by the investigation in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts set out in Part IV herein and consents to the making of an Order in the form attached as Schedule “A”.

4. Staff and the Respondent agree that the terms of this Settlement Agreement, including the attached Schedule “A”, will be released to the public only if and when the Settlement Agreement is accepted by the Hearing Panel.

III. ACKNOWLEDGEMENT

5. Staff and the Respondent agree with the facts set out in Part IV herein for the purposes of this Settlement Agreement only and further agree that this agreement of facts is without prejudice to the Respondent or Staff in any other proceeding of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the MFDA (subject to Part IX) or any civil or other proceedings which may be brought by any other person or agency, whether or not this Settlement Agreement is accepted by the Hearing Panel.

IV. AGREED FACTS

Registration History

6. The Respondent has been registered in Ontario as a mutual salesperson and a branch manager with IPC Investment Corporation (“IPC” or the “Member”) since May 31, 2005.

Background

7. On July 17, 2008, the Member completed a compliance field examination of the Respondent’s branch located in Toronto, Ontario (the “Examination”). At the time of the Examination, there were three Approved Persons, including the Respondent working at the Branch.

8. The Examination identified the following deficiencies, among others:

- (a) The Respondent was in possession of blank client account forms which had been pre-signed by clients;
- (b) The Respondent had been appointed as executor or power of attorney for clients;
- (c) The Respondent had acted as the executor of a client’s estate;
- (d) The Respondent was acting as co-trustee and co-signing transactions for a client’s family trust;
- (e) The Respondent had failed to comply with IPC’s Policies and Procedures.

9. Staff of the MFDA (“MFDA Staff”) became aware of the Respondent’s conduct on October 15, 2008 after the Member reported the deficiencies identified during the Examination on the MFDA Member Events Tracking System (“METS”) in accordance with the requirements of MFDA Policy No. 6.

Allegation #1: Blank pre-signed forms

10. During the Member’s Examination, the Member found 85 blank investment instruction forms on which the signatures of at least 16 different clients¹ had been completed in the Respondent’s client files:

No.	Client(s)	Form(s)	Date
1	DM	(3) Order Entry Forms	Not Dated
2	BT	(1) Order Entry Form	Not Dated
3	LH	(13) Order Entry Forms	Not Dated
	LH	(5) B2B Trust Financial Account Changes	Not Dated
4	BH	(2) Order Entry Forms	Not Dated
5	DW	(1) Order Entry Form	Not Dated
6	SS	(14) Order Entry Forms	Not Dated
7	PR	(26) Order Entry Forms	Not Dated
8	MC-H	(1) Order Entry Form	Not Dated
9	JMH	(1) Order Entry Form	Not Dated
	JMH	(1) B2B Trust Financial Account Changes	Not Dated
10	SRP	(3) Order Entry Forms	Not Dated
11	ML	(2) Order Entry Forms	Not Dated
12	KS	(1) Order Entry Form	Not Dated
	KS	(1) B2B Trust Financial Account Changes	Not Dated
13	DM	(3) B2B Trust Financial Account Changes	Not Dated

¹ The signature was illegible on two of the pre-signed forms. Those two forms may have been in respect of one or two of the identified 16 clients, or in respect of one or two additional clients.

No.	Client(s)	Form(s)	Date
14	CP	(1) AIM Trimark Investment Application	Not Dated
15	SP	(3) MRS Mutual Fund Trade Tickets	Not Dated
16	RS	(1) MRS Mutual Fund Trade Tickets	Not Dated
	Illegible	(1) Conversion Form for switching DSC to 0% FEL	Not Dated
	Illegible	(1) Conversion Form for switching DSC to 0% FEL	Not Dated
		(85)	

11. The Respondent admitted that it was his practice while at the Member to obtain and maintain pre-signed client investment instruction forms in order to process trades for clients that he believed were prone to trading regularly and/or may require redemptions from their accounts on short notice.

12. The Respondent admitted to using pre-signed investment instruction forms to execute a total of 25 trades in the accounts of clients LH, PR and SS. The Respondent states that on each such occasion, he obtained instructions for the trades from the clients prior to carrying out the trades in the clients' accounts.

13. By obtaining and maintaining 85 blank pre-signed account forms for at least 16 different clients and using the forms on at least 25 occasions to process trades in the accounts of clients LH, PR and SS, the Respondent engaged in conduct contrary to MFDA Rule 2.1.1.

Allegation #2(a) - Power of Attorney or Other Similar Authorization

14. During the Member's Examination, the Member determined that the Respondent had been appointed as a co-power of attorney, a co-trustee and/or an executor for four different clients and that, in the case of client BMS, the Respondent had acted as the executor of the client's estate. The nature and date of the Respondent's appointments are set out in the table below:

	Client	Appointment	Date of Appointment
1	MLL	Co-power of attorney	April 20, 2005
2	BMS	Co-power of attorney	January 12, 1998 to August 10, 2007
3	Mr. B.	Co-trustee of the Mr. B. Family Trust	October 1998 to December 2007
4	JW	Executor	April 22, 1999
5	BMS	Executor	May 24, 2001
6	Estate of BMS	Estate Trustee	February 26, 2008

15. The Respondent was the mutual fund salesperson responsible for servicing the accounts belonging to the clients.

16. The Respondent did not disclose the appointments to the Member either when he commenced at the Member on May 31, 2005 (in the case of those appointments that pre-dated May 31, 2005) or at the time of the subsequent appointments.

17. As the co-power of attorney for clients BMS and BLL, the Respondent, together with the other respective co-power of attorneys, would, upon the mental incapacity of the clients, have joint authority to manage the property and affairs of the clients, or other such delegation of authority as given by the clients.

18. As the co-trustee of the Mr. B. Family Trust, the Respondent co-signed trades in the Mr. Family Trust Account as the co-trustee with Mr. B.

19. As the executor of the estates of clients JW and BMS², the Respondent would have power of attorney over the clients' accounts upon their death.

20. In the case of client BMS, the Respondent accepted the appointment as estate trustee on February 26, 2008 following the death of client BMS without disclosing the appointment to the Member. The Respondent subsequently received an executor's fee in the amount of \$7,000.

21. By accepting appointments as co-power of attorney for clients MLL and BMS, co-trustee for the Mr. B Family Trust, and executor for client JW and by acting as the executor for client BMS's estate, without disclosing the appointments to the Member, the Respondent engaged in conduct that was contrary to MFDA Rule 2.3.1(a).

Allegation 2(b) - Failed to Comply with the Member's Policies and Procedures

22. The Member's Policies and Procedures Manual, dated March 2005, that was in effect during the material period, provided, in part, as follows:

² The Respondent claims that he only became aware of his appointment as executor of the estate of client BMS after her death and therefore could not have disclosed it to the Member prior to that time.

Powers of Attorney

IPCI and IPCI Representatives are prohibited from accepting a Power of Attorney that permits them to trade on behalf of an IPCI client. Despite this general prohibition, a Representative may accept or act on a Power of Attorney for an IPCI client who is a spouse, parent, or child of the Representative if another Representative is the IPCI Representative of record for the client.

Executor of a Client's Estate

IPCI representatives are prohibited from acting as the executor of an IPCI client's estate as it effectively gives the Representative a Power of Attorney for the client's accounts with IPCI. Despite this general prohibition, an IPCI Representative may act as the executor of an IPCI client's estate if the client was a spouse, parent, or child of the Representative and another Representative is the IPCI Representative of record for the estate.

23. Contrary to the Member's Policies and Procedures, the Respondent accepted appointments as the co-power of attorney for clients BMS and MLL and acted as executor of client BMS's estate. By doing so, the Respondent failed to comply with the Member's policies and procedures, thereby interfering with the ability of the Member to supervise the Respondent, contrary to MFDA rules 1.1.2 and 2.5.1.

V. CONTRAVENTIONS

24. The Respondent admits that between June 2005 and July 2008, he obtained and maintained at least 85 pre-signed client account forms in respect of 16 different client accounts and used the forms to process trades in client accounts on at least 25 occasions, contrary to MFDA Rule 2.1.1.

25. The Respondent admits that between June 2005 and July 2008, he accepted appointments as co-power of attorney, co-trustee for a family trust and executor for clients and, in the case of client BMS, acted as the executor for client BMS's estate:

- (a) contrary to MFDA Rule 2.3.1(a); and
- (b) contrary to the Member's policies and procedures, thereby interfering with the ability of the Member to supervise the Respondent, contrary to MFDA Rules 1.1.2 and 2.5.1.

VI. TERMS OF SETTLEMENT

26. The Respondent agrees to the following terms of settlement:

- (a) the Respondent shall pay a fine of \$7,500, pursuant to section 24.1.1(b) of By-law No. 1;
- (b) the Respondent shall write an industry course deemed appropriate by MFDA Staff, pursuant to section 24.1.1(f) of By-law No. 1;
- (c) the Respondent shall pay \$2,500 in respect of the costs of the investigation and settlement of this matter, pursuant to section 24.2 of By-law No. 1;
- (d) the Respondent shall in the future comply with all MFDA By-laws, Rules and Policies, and all applicable securities legislation and regulations made thereunder, including MFDA Rules 2.1.1, 2.3.1(a), 1.1.2 and 2.5.1;
- (e) the Respondent will attend in person, on the date set for the Settlement Hearing.

VII. STAFF COMMITMENT

27. If this Settlement Agreement is accepted by the Hearing Panel, Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the contraventions described in Part V of this Settlement Agreement, subject to the provisions of Part IX below. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any contraventions that are not set out in Part V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the contraventions set out in Part V, whether known or unknown at the time of settlement. Furthermore, nothing in this Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

28. Acceptance of this Settlement Agreement shall be sought at a hearing of the Central Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent.

29. Staff and the Respondent may refer to any part, or all, of the Settlement Agreement at the

settlement hearing. Staff and the Respondent also agree that if this Settlement Agreement is accepted by the Hearing Panel, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter, and the Respondent agrees to waive his rights to a full hearing, a review hearing before the Board of Directors of the MFDA or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction.

30. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, then the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to section 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with section 24.5 of By-law No. 1.

31. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel, neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement. Nothing in this section is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against it him.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

32. If this Settlement Agreement is accepted by the Hearing Panel and, at any subsequent time, the Respondent fails to honour any of the Terms of Settlement set out herein, Staff reserves the right to bring proceedings under section 24.3 of the By-laws of the MFDA against the Respondent based on, but not limited to, the facts set out in Part IV of the Settlement Agreement, as well as the breach of the Settlement Agreement. If such additional enforcement action is taken, the Respondent agrees that the proceeding(s) may be heard and determined by a hearing panel comprised of all or some of the same members of the hearing panel that accepted the Settlement Agreement, if available.

X. NON-ACCEPTANCE OF SETTLEMENT AGREEMENT

33. If, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel or an Order in the form attached as Schedule "A" is not made by the Hearing Panel, each of Staff and the Respondent will be entitled to any available proceedings, remedies and

challenges, including proceeding to a disciplinary hearing pursuant to sections 20 and 24 of By-law No. 1, unaffected by this Settlement Agreement or the settlement negotiations.

34. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any allegation against the MFDA of lack of jurisdiction, bias, appearance of bias, unfairness, or any other remedy or challenge that may otherwise be available.

XI. DISCLOSURE OF AGREEMENT

35. The terms of this Settlement Agreement will be treated as confidential by the parties hereto until accepted by the Hearing Panel, and forever if, for any reason whatsoever, this Settlement Agreement is not accepted by the Hearing Panel, except with the written consent of both the Respondent and Staff or as may be required by law.

36. Any obligations of confidentiality shall terminate upon acceptance of this Settlement Agreement by the Hearing Panel.

XII. EXECUTION OF SETTLEMENT AGREEMENT

37. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

38. A facsimile copy of any signature shall be effective as an original signature.

Dated: January 4, 2012

“Jerry Didunyk”
Witness- Signature

“Mark Faiz Sakkejha”
Mark Faiz Sakkejha

Jerry Didunyk
Witness – Print Name

“Mark Gordon”
Staff of the MFDA
Per: Mark Gordon
Executive Vice-President

Schedule “A”

Order

File No. 201140



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**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
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Re: Mark Faiz Sakkejha

ORDER

WHEREAS on [date], 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 Mark Faiz Sakkejha (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (the “Settlement Agreement”), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to sections 20 and 24.1 of By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that the Respondent:

- (i) between June 2005 and July 2008, obtained and maintained at least 85 pre-signed client account forms in respect of 16 different client accounts and used the forms to process trades in client accounts on at least 25 occasions, contrary to MFDA Rule 2.1.1;

(ii) between June 2005 and July 2008, accepted appointments as co-power of attorney, co-trustee for a family trust and executor for clients and, in the case of client BMS, acted as the executor for client BMS's estate.

(a) contrary to MFDA Rule 2.3.1(a); and

(b) contrary to the Member's policies and procedures, thereby interfering with the ability of the Member to supervise the Respondent, contrary to MFDA Rules 1.1.2 and 2.5.1.

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

1. The Respondent shall pay a fine of \$7,500, pursuant to section 24.1.1(b) of By-law No. 1;

2. The Respondent shall write an industry course deemed appropriate by MFDA Staff, pursuant to section 24.1.1(f) of By-law No. 1;

3. The Respondent shall pay \$2,500 in respect of the costs of the investigation and settlement of this matter, pursuant to section 24.2 of By-law No. 1.

4. The Respondent shall in the future comply with all MFDA By-laws, Rules and Policies, and all applicable securities legislation and regulations made thereunder, including MFDA Rules 2.1.1, 2.3.1(a), 1.1.2 and 2.5.1;

5. 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 [day] day of [month], 20[].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]