



**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: Ahsan Hanif Ladha**

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**SETTLEMENT AGREEMENT**

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**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 Prairie 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, Ahsan Hanif Ladha (the “Respondent”).

**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 was registered in Alberta as a mutual fund salesperson with TD Investment Services Inc. (“TDIS”) from January 29, 2008 to June 1, 2010 when the Respondent resigned during the investigation of the matters described herein.

7. The Respondent is not currently registered in the securities industry in any capacity.

8. TDIS became a member of the MFDA on January 11, 2002.

#### **Securities Related Business Outside the Member**

#### **Individual JB**

9. The Respondent was a personal friend of JB. The friendship between the Respondent and JB pre-dated the Respondent's registration as a mutual fund sales person. At all material times, JB was not a client of TDIS.

10. In June 2009, the Respondent assisted JB with opening a TD Waterhouse Discount Brokerage Account and with signing up for Webbroker, the on-line trading platform used by TD Waterhouse Discount Brokerage to enable clients to trade in their accounts. JB shared the account password information required to access the TD Waterhouse Discount Brokerage account with the Respondent.

11. After assisting JB with opening of the TD Waterhouse Discount Brokerage account and enrolling in Webbroker, the Respondent provided JB with investment advice in relation to trading activity in the account and also personally conducted trades in the account. The trading activity involved equity securities which the Respondent followed.

12. The Respondent states that JB was generally aware and authorized the Respondent to access and conduct trades in the TD Waterhouse Discount Brokerage account. The Respondent initially obtained instructions or confirmation from JB prior to placing trades in the account. At some point this practice stopped and the Respondent began placing trades in the account without obtaining prior instructions from JB, either verbally or in writing, and then informing JB of the trading activity undertaken by the Respondent in the account after the fact.

13. With the assistance of TD Waterhouse Compliance, TDIS commenced an investigation of the Respondent's activity in relation to JB's TD Waterhouse Discount Brokerage account. TDIS determined that between January 2, 2010 and March 2, 2010, the Respondent accessed JB's TD Waterhouse Discount Brokerage account a total of 47 times.<sup>1</sup> The Respondent accessed the account from the Respondent's home computer on 25 of those 47 occasions. On the remaining 22 occasions, the Respondent accessed the account from the Respondent's work computer at TDIS.

14. The records of JB's TD Waterhouse Discount Brokerage account did not contain a trading authorization in favor of the Respondent.

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<sup>1</sup> The Member's review of the computer records was restricted to the period January 2 to March 2, 2010.

15. Neither TDIS nor TD Waterhouse Discount Brokerage is in receipt of a complaint from JB in relation to the activity of the Respondent with respect to JB's TD Waterhouse Discount Brokerage account.

#### **Client MM**

16. At all material times, MM was a client of TDIS and also had a TD Waterhouse Discount Brokerage account. Client MM and the Respondent together set up the Webbroker on-line trading password information for the account. As a result, the Respondent was able to access the account and conduct trades in it.

17. Between November 2009 and February 2010, the Respondent provided investment advice to client MM in relation to, and placed trades in, MM's TD Waterhouse Discount Brokerage account through the Webbroker on-line trading platform. The trading activity involved equity securities which the Respondent followed.

18. TDIS's investigation determined that between January 6, 2010 and March 8, 2010,<sup>2</sup> the Respondent accessed client MM's TD Waterhouse Discount Brokerage account a total of six times and that on three of those six occasions, the Respondent accessed the account from the Respondent's home computer.

19. The records of client MM's TD Waterhouse Discount Brokerage account did not contain a trading authorization in favor of the Respondent.

20. Client MM advised TD Waterhouse Compliance during its investigation of the Respondent's conduct that the Respondent provided investment advice to client MM in relation to, and conducted trades in, client MM's TD Waterhouse Discount Brokerage account.

21. At all materials times that the Respondent was giving investment advice in relation to, and making trades in, the TD Waterhouse Discount Brokerage accounts of JB and client MM, the terms of the Respondent's registration as a mutual fund salesperson prohibited him from

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<sup>2</sup> The Member's review of the computer records was restricted to this period.

providing investment advice in relation to, and trading for others in, equity securities. The Respondent did not have the required proficiencies to advise and trade in equity securities.

22. At all material times, TDIS was not aware (nor was TD Waterhouse) that the Respondent was providing investment advice in relation to, and conducting trades in, the TD Waterhouse Discount Brokerage accounts of JB and client MM.

### **Mitigating Factors**

23. The Respondent has not previously been the subject of the MFDA disciplinary proceedings.

24. The Respondent has co-operated with MFDA Staff's investigation into his conduct.

### **V. CONTRAVENTIONS**

25. The Respondent admits that between June 2009 and June 2010, he engaged in securities related business that was not carried on for the account and through the facilities of the Member by giving investment advice in relation to, and making trades in, equity securities in the on-line discount brokerage accounts of client MM and individual JB, contrary to MFDA Rule 1.1.1(a).

### **VI. TERMS OF SETTLEMENT**

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

- (a) the Respondent shall be prohibited from conducting securities related business while in the employ of, or associated with, any MFDA Member for 24 months from the date of the final order in this matter, pursuant to s. 24.1.1(e) of MFDA By-law No. 1; and;
- (b) the Respondent shall pay costs in the amount of \$2,500.00, pursuant to s. 24.2 of MFDA By-law No. 1; and;
- (c) the Respondent shall in the future comply with MFDA Rule 1.1.1(a); and
- (d) 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 Parts IV and V of this Settlement Agreement or in respect of conduct that occurred outside the specified date ranges of the facts and contraventions set out in Parts IV and 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 Prairie 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 s. 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with s. 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 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: May 18, 2012.

“Elena Semenova”  
\_\_\_\_\_  
Witness – Signature

Elena Semenova  
\_\_\_\_\_  
Witness - Print name

“Ahsan Hanif Ladha”  
\_\_\_\_\_  
Ahsan Hanif Ladha

“Shaun Devlin”  
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Staff of the MFDA  
Per: Shaun Devlin  
Vice-President, Enforcement



**Schedule “A”**

**Order**

**File No. 201205**



**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: Ahsan Hanif Ladha**

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**ORDER**

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**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 Ahsan Hanif Ladha (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 ss. 20 and 24.1 of By-law No. 1;

**AND WHEREAS** the Hearing Panel is of the opinion that the Respondent between June 2009 and June 2010, engaged in securities related business that was not carried on for the account and through the facilities of the Member by giving investment advice in relation to, and making trades in, equity securities in the on-line discount brokerage accounts of client MM and individual JB, contrary to MFDA Rule 1.1.1 and the terms of his registration as a mutual fund salesperson.

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

1. 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*;
2. The Respondent shall be prohibited from conducting securities related business while in the employ of, or associated with, any MFDA Member for 24 months from the date of the final order in this matter, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
3. The Respondent shall pay costs in the amount of \$2,500.00, pursuant to s. 24.2 of MFDA By-law No. 1; and
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 Rule 1.1.1.

**DATED** this [day] day of [month], 20[ ].

Per: \_\_\_\_\_  
[Name of Public Representative], Chair

Per: \_\_\_\_\_  
[Name of Industry Representative]

Per: \_\_\_\_\_  
[Name of Industry Representative]