



**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: Rebecca Wai-Chiu Li**

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**ORDER**

(ARISING FROM DECISION (PENALTY) AND REASONS DATED OCTOBER 13, 2020)

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**WHEREAS** on October 1, 2019, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 in respect of a disciplinary proceeding commenced against Rebecca Wai-Chiu Li (the “Respondent”);

**AND WHEREAS** the Respondent did not file a Reply to the Notice of Hearing;

**AND WHEREAS** the first appearance in this proceeding was held before a hearing panel of the Central Regional Council of the MFDA (the “Hearing Panel”) on December 10, 2019;

**AND WHEREAS** the Respondent did not attend the first appearance, either in person or represented by counsel, although properly served with the Notice of Hearing in accordance with Rule 4.2 of the MFDA *Rules of Procedure*;

**AND WHEREAS** on June 8, 2020, the Notice of Hearing was amended with leave of the Hearing Panel;

**AND WHEREAS** on June 8, 2020, the Hearing Panel conducted a hearing on the merits in respect of the matters described in the Amended Notice of Hearing by video conference;

**AND WHEREAS** the Respondent did not attend the hearing on the merits, either in person or represented by counsel, although notified by the Corporate Secretaries Office of the hearing's date, time and particulars of attending by video conference;

**AND WHEREAS** on the basis of the evidence and submissions presented during the hearing on the merits, the Hearing Panel found that the Respondent:

- a) between July 2013 and November 2015, the Respondent engaged in securities related business that was not carried on for the account of the Member or conducted through its facilities by recommending, selling or facilitating the sale of syndicated mortgage investments to clients and other individuals, contrary to the Member's policies and procedures and MFDA Rules 1.1.1 and 2.1.1;
- b) between July 2013 and November 2015, the Respondent engaged in an outside activity which was not disclosed to or approved by the Member, by recommending, selling, or facilitating the sale of syndicated mortgage investments to clients and other individuals, contrary to MFDA Rules 1.2.1(c) (now MFDA Rule 1.3), and 2.1.1;
- c) between July 2013 and November 2015, the Respondent participated in an unapproved referral arrangement by making referrals in respect of the sale of syndicated mortgage investments to clients and other individuals, contrary to the Member's policies and procedures, MFDA Rules 2.4.2, and 2.1.1, and the requirements of sections 13.7 to 13.10 of National Instrument 31-103;
- d) between July 2013 and November 2016, the Respondent accepted or acted upon general powers of attorney in respect of four clients, and failed to inform the Member that she held these powers of attorney over the financial affairs of clients whose accounts she serviced, contrary to the Member's policies and procedures and MFDA Rules 2.3.1(a) and 2.1.1;
- e) between June 2014 and May 2015, the Respondent engaged in personal financial dealings with clients by accepting cheques from clients payable to her and co-mingling client monies with her own monies by depositing the cheques in bank accounts that she could access or control, contrary to Member's policies and procedures and MFDA Rules 2.1.4, 3.3.1 and 3.3.2(a);

- f) between October 2013 and August 2016, the Respondent provided false and misleading information in response to Member supervisory questionnaires, thereby misleading the Member and interfering with its ability to supervise the Respondent's conduct, contrary to MFDA Rule 2.1.1;
- g) between April 2017 and March 2018, the Respondent provided false or misleading information to Staff during its investigation of her conduct, contrary to MFDA Rule 2.1.1; and
- h) commencing no later than December 13, 2018, the Respondent failed to cooperate with Staff's investigation of her conduct, contrary to section 22.1 of MFDA By-law No. 1.

**AND WHEREAS** on June 26, 2020, a penalty hearing proceeded before the Hearing Panel by video conference, and counsel for Staff of the MFDA made submissions to the Hearing Panel with respect to the penalties to impose in light of the findings of misconduct that had been made by the Hearing Panel;

**AND WHEREAS** the Respondent did not attend the penalty hearing, either in person or represented by counsel, although notified by the Corporate Secretaries Office of the penalty hearing's date, time and particulars of attending by video conference.

**IT IS HEREBY ORDERED THAT:**

1. From the date of this Order, the Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member pursuant to section 24.1.1 (e) of MFDA By-law No. 1;
2. The Respondent shall pay a fine of \$850,000, pursuant to section 24.1.1(b) of MFDA By-law No. 1;
3. The Respondent shall pay costs in the amount of \$20,000, pursuant to section 24.2 of MFDA By-law No. 1; and
4. If at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding

that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.

**DATED** this 13<sup>th</sup> day of October, 2020.

“Paul M. Moore”

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Paul M. Moore, QC  
Chair

“Brigitte J. Geisler”

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Brigitte J. Geisler  
Industry Representative

“Joseph Yassi”

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Joseph Yassi  
Industry Representative

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