



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: Yukun Wang

NOTICE OF HEARING

NOTICE is hereby given that a first appearance will take place by teleconference before a hearing panel of the Prairie Regional Council (the “Hearing Panel”) of the Mutual Fund Dealers Association of Canada (the “MFDA”) on June 7, 2021 at 10:00 a.m. (Mountain) or as soon thereafter as the hearing can be held, concerning a disciplinary proceeding commenced by the MFDA against Yukun Wang (the “Respondent”). Members of the public who would like to listen to the teleconference should contact hearings@mfd.ca to obtain particulars.

DATED this 29th day of April, 2021.

“Michelle Pong”

Michelle Pong
Director, Regional Councils

Mutual Fund Dealers Association of Canada
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Telephone: 416-945-5134
Email: 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: On April 30, 2019 and on November 8, 2019, the Respondent sent confidential client information to his personal email address for his personal advantage without obtaining the prior written consent of the clients, contrary to the Members' policies and procedures and MFDA Rules 2.1.3, 2.1.1, 2.5.1 and 1.1.2.

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. Commencing in December 2015, the Respondent was registered in the securities industry.
2. From June 2018 to May 2019, the Respondent was registered as a dealing representative in Alberta with Royal Mutual Funds Inc. ("RMFI"), a Member of the MFDA.
3. From June 2019 to November 2019, the Respondent was registered as a dealing representative in Alberta with Scotia Securities Inc. ("SSI"), a Member of the MFDA.
4. On or about November 12, 2019, the Respondent resigned from SSI, and he is not currently registered in the securities industry in any capacity.
5. At all material times, the Respondent carried on business in the Edmonton, Alberta area.

Allegation #1 - Sending Client Information to the Respondent's Personal Email Address

Sending Client Information from RMFI to the Respondent's Personal Email Address

6. At all material times, Approved Persons of RMFI were required to adhere to a Code of Conduct and privacy and risk management policies which, among other things, prohibited Approved Persons from sending client information to an Approved Person's personal email address.
7. On May 10, 2019, the Respondent resigned from RMFI in order to pursue an opportunity to transfer his registration to SSI.

8. Prior to resigning from RMFI, on or about April 30, 2019, the Respondent sent an email from his RMFI email address to his personal email address that attached a spreadsheet containing, among other things, personal information relating to 32 clients of RMFI (the “First Spreadsheet”).

9. The personal information of RMFI clients that was recorded on the First Spreadsheet included the following:

- a) Name;
- b) Gender;
- c) Date of birth;
- d) Employer;
- e) Contact information (including telephone and email);
- f) Employer information;
- g) Total assets;
- h) Contact history;
- i) Client identification number; and
- j) Information with respect to the number and types of accounts at RMFI and bank accounts of the client.

10. The Respondent sent the confidential client information from his RMFI email address to his personal email address without informing or obtaining the authorization of RMFI or the clients.

11. When the Respondent sent the First Spreadsheet to his personal email address, the Respondent undermined the ability of RMFI to protect the confidentiality of that information.

12. By emailing personal and financial information of clients to his own personal email address, the Respondent:

- a) put himself in a position to benefit from access to that client information, for example, if he was able to find future employment at another Member or financial institution; and
- b) undermined the Member’s ability to safeguard the confidentiality of the client information that he sent to his personal email address.

Sending Client Information from SSI to the Respondent's Personal Email Address

13. At all material times, Approved Persons of SSI were prohibited from using their personal email accounts for business purposes, and, in particular, were prohibited from sending or forwarding confidential client information of SSI to personal email accounts.

14. In June 2019, the Respondent became registered with SSI. Upon becoming registered, the Respondent forwarded the First Spreadsheet from his personal email address to his new business email address at SSI, without the knowledge or consent of RMFI and without the knowledge or consent of the RMFI clients whose confidential information was recorded on the spreadsheet.

15. After the Respondent sent the First Spreadsheet to the Respondent's business email at SSI, the confidential information of clients of RMFI became accessible by SSI and its affiliate bank, Scotiabank. The Respondent thereby further undermined the ability of RMFI to safeguard the confidentiality of the client information by allowing confidential information of RMFI clients to become accessible to a third party.

16. While registered at SSI, the Respondent created a second spreadsheet which contained, among other things, personal information relating to 4 clients of SSI (the "Second Spreadsheet").

17. On or about November 12, 2019, the Respondent resigned from SSI, intending to seek employment with another financial institution.

18. Prior to resigning from SSI, on or about November 8, 2019, the Respondent sent an email from his business email address at SSI to his personal email address and attached the Second Spreadsheet.

19. The personal information of SSI clients that was recorded on the Second Spreadsheet included the following:

- a) Name;
- b) Gender;
- c) Date of birth;
- d) Contact information (including telephone and email);
- e) Employer information;
- f) Total assets;
- g) Contact history; and

- h) Information with respect to the number and types of accounts at SSI and bank accounts of the clients.

20. The Respondent sent the confidential client information from his SSI email address to his personal email address without informing or obtaining the authorization of SSI or the clients.

21. When the Respondent sent the Second Spreadsheet to his personal email address, the Respondent undermined the ability of SSI to protect the confidentiality of that information.

22. The Respondent sent the Second Spreadsheet to his personal email address for his personal use and benefit as he had access to that confidential client information for use in a future position at a Member or financial institution or for other purposes.

23. By sending the First Spreadsheet and Second Spreadsheet to his personal email address as described above, the Respondent failed to maintain information relating to clients or the business and affairs of clients in confidence, facilitated the use of that information for his personal advantage, and engaged in conduct that was contrary to the Members' policies and procedures and MFDA Rules.

24. By virtue of the foregoing, the Respondent engaged in conduct contrary to the Members' policies and procedures and MFDA Rules 2.1.3, 2.1.1, 2.5.1 and 1.1.2.

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 Director of Regional Councils 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
Prairie Regional Office
Suite 850, 800- 6th Ave SW
Calgary, AB T2P 3G3
Attention: Justin Dunphy
Email: jdunphy@mfd.ca

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

- a) providing four 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 electronic copy of the **Reply** to the Office of the Corporate Secretary by e-mail at corporatesecretary@mfda.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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