



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: Dan Vivian Wang

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Settlement Hearing, the Mutual Fund Dealers Association of Canada (“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 Pacific Regional Council (“Hearing Panel”) of the MFDA should accept the settlement agreement (“Settlement Agreement”) entered into between Staff of the MFDA (“Staff”) and Dan Vivian Wang (“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 the securities industry from 2006 to April 16, 2015. The Respondent is not currently registered in the securities industry.

7. From November 3, 2011 to April 16, 2015, the Respondent was registered in British Columbia as a mutual fund salesperson (now known as a dealing representative)¹with Royal Mutual Funds Inc. (“RMFI”), a Member of the MFDA.

¹ In September 2009, the registration category mutual fund salesperson was changed to “dealing representative” when National Instrument 31-103 came into force.

8. The Respondent resigned from RMFI on April 16, 2015.
9. At all material times, the Respondent carried on business in the Vancouver, British Columbia area.

Background

10. On September 8, 2012, client PL became a client of RMFI. At all material times, the Respondent was responsible for servicing client PL's account.

11. At all material times, RMFI's policies and procedures required its Approved Person to file a Large Cash Transaction Report ("LCTR") when depositing cash of \$10,000 or more into an account, as required by the Financial Transactions and Report Analysis Centre of Canada ("FINTRAC").

12. At all material times, RMFI did not allow its Approved Persons to accept cash from clients or deposit cash on behalf of clients.

13. On December 18, 2014, the Respondent accepted \$15,000 in cash from client PL for investment in client PL's mutual fund account. Later that day, the Respondent attended at a Royal Bank of Canada ("RBC") branch and proceeded to deposit the \$15,000 cash into client PL's bank account.

14. The \$15,000 cash deposit triggered a requirement on the part of the bank teller to file a LCTR explaining the transaction and the source of the cash. The Respondent states she attempted to fill the LCTR on behalf of client PL indicating the source of cash as business income, which was the Respondent's understanding of the source of the funds. The RBC bank branch manager ("RBC Bank Manager") asked to speak with client PL to verify the source of the cash. The Respondent states that client PL indicated he did not have time to speak about the matter. Accordingly, the Respondent indicated to client PL that the transaction would be cancelled.

15. The Respondent advised the RBC Bank Manager that she would not proceed with the deposit of the \$15,000 in cash and would instead return the \$15,000 cash to the client PL that evening.

16. The RBC Bank Manager reported to the Respondent's branch manager at RMFI ("RMFI Branch Manager") that the Respondent had attempted to make a large cash deposit on behalf of a client and had promised to return the money to the client. On December 20, 2014, the RMFI Branch Manager questioned her about the transaction and asked whether she had returned the \$15,000 in cash to client PL. The Respondent falsely stated that she had returned the money to client PL. The Respondent states she had not yet done because she understood client PL was out of town. The Respondent deposited the \$15,000 in cash into her own bank account in the interim and eventually returned it to client PL as set out below.

17. At all material times, the Respondent was aware that, if she accurately and honestly completed a LCTR concerning the \$15,000 in cash, she would be required to disclose that she had received from the money from client PL.

18. In order to avoid detection of her conduct and circumvent the requirement to complete a LCTR, the Respondent deposited the \$15,000 that she had received from client PL into her personal bank account by means of two separate transactions. On December 20, 2014, the Respondent deposited \$7,500 in cash into her personal bank account, and on December 29, 2014, the Respondent deposited the remaining \$7,500 into her personal bank account.

19. As a result of the Respondent's conduct, no LCTR was required to be submitted for either transaction.

20. On February 2, 2015, the Respondent wire transferred \$15,000 from her personal bank account to client PL's bank account.

V. CONTRAVENTIONS

21. The Respondent admits that,
- a) between December 18, 2014 and February 2, 2015, the Respondent accepted \$15,000 cash from client PL, and deposited the monies into her own bank account prior to transferring the monies to the client PL's bank account, thereby engaging in personal financial dealings with a client contrary to MFDA Rules 2.1.4 and 2.1.1;
 - b) between December 20, 2014 and February 2, 2015, the Respondent deposited \$15,000 cash from client PL into her own bank account in two separate transactions, thereby circumvented the large cash transaction reporting requirements to the Financial Transactions and Report Analysis Centre of Canada, contrary to MFDA Rule 2.1.1 and the Member's policies and procedures regarding proceeds of crime, money laundering and terrorist financing; and
 - c) between December 18, 2014 and March 31, 2015, the Respondent falsely represented to the Member that she had returned \$15,000 cash received from client PL when she had in fact deposited the monies into her own bank account, thereby misleading the Member and interfering with its ability to supervise her conduct, contrary to MFDA Rule 2.1.1.

VI. TERMS OF SETTLEMENT

22. The Respondent agrees to the following terms of settlement:
- (a) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 6 months, commencing from the date of the Hearing Panel's Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

- (b) the Respondent shall pay a fine in the amount of \$20,000, pursuant to section 24.1.1(b) of By-law No. 1;
- (c) the Respondent shall pay costs in the amount of \$5,000, pursuant to section 24.2 of By-law No. 1;
- (d) the Respondent shall in the future comply with 2.1.4 and 2.1.1; and
- (e) the Respondent will attend in person, on the date set for the Settlement Hearing.

VII. STAFF COMMITMENT

23. 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 facts set out in Part IV and 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 facts and 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

24. Acceptance of this Settlement Agreement shall be sought at a hearing of the Pacific Regional Council of the MFDA on a date agreed to by counsel for Staff and the Respondent. MFDA Settlement Hearings are typically held in the absence of the public pursuant to section 20.5 of MFDA By-law No. 1 and Rule 15.2(2) of the MFDA Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.mfda.ca.

25. 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 her 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.

26. 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. 24.1.1 and/or 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.

27. 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 her.

IX. FAILURE TO HONOUR SETTLEMENT AGREEMENT

28. 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

29. 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.

30. Whether or not this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees that she 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

31. 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.

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

XII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 22nd day of June, 2017.

“Dan Vivian Wang”

Dan Vivian Wang

“TD”

Witness – Signature

TD

Witness – Print Name

“Shaun Devlin”

Shaun Devlin

Staff of the MFDA

Per: Shaun Devlin

Senior Vice-President,

Member Regulation – Enforcement

Schedule “A”

Order

File No. 201762



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: Dan Vivian Wang

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (“MFDA”) issued a Notice of Settlement Hearing pursuant to section 24.4 of By-law No. 1 in respect of Dan Vivian Wang (“Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (“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:

- a) between December 18, 2014 and February 2, 2015, the Respondent accepted \$15,000 cash from client PL, and deposited the monies into her own bank account prior to transferring the monies to the client PL’s bank account, thereby engaging in personal financial dealings with a client contrary to MFDA Rules 2.1.4 and

2.1.1;

- b) between December 20, 2014 and February 2, 2015, the Respondent deposited \$15,000 cash from client PL into her own bank account in two separate transactions, thereby circumvented the large cash transaction reporting requirements to the Financial Transactions and Report Analysis Centre of Canada, contrary to MFDA Rule 2.1.1 and the Member's policies and procedures regarding proceeds of crime, money laundering and terrorist financing; and
- c) between December 18, 2014 and March 31, 2015, the Respondent falsely represented to the Member that she had returned \$15,000 cash received from client PL when she had in fact deposited the monies into her own bank account, thereby misleading the Member and interfering with its ability to supervise her conduct, contrary to MFDA Rule 2.1.1.

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

1. The Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 6 months, commencing from the date of the Hearing Panel's Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
2. The Respondent shall pay a fine in the amount of \$20,000, pursuant to section 24.1.1(b) of By-law No. 1;
3. The Respondent shall pay costs in the amount of \$5,000, pursuant to section 24.2 of By-law No. 1;
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 [day] day of [month], 20[].

Name,
Chair

Name,
Industry Representative

Name,
Industry Representative

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