Re Chandane

In the matter of:

The Mutual Fund Dealer Rules

and

Jagdish Chandane

2025 CIRO 35

Canadian Investment Regulatory Organization
Hearing Panel (Ontario District)

Heard: May 22, 2025 by electronic hearing in Toronto, Ontario
Decision: May 22, 2025
Reasons for Decision: July 11, 2025

Hearing Panel:
Frederick H. Webber, Chair
Emily Jelich, Industry Representative
Robert White, Industry Representative

Appearances:
Kirshita Seevaratnam Baker, Enforcement Counsel
Tyler Beazer, Enforcement Counsel
Rafal Szymanski, for Jagdish Chandane
Jagdish Chandane (present)

Reasons for Decision on acceptance of settlement agreement

I. OVERVIEW

[1] By Notice of Settlement Hearing issued on April 23, 2025, the Canadian Investment Regulatory Organization (**CIRO**) requested a settlement hearing pursuant to Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure and Rule 7.4.4 of the Mutual Fund Dealer Rules.

[2] CIRO Enforcement Counsel (**Staff**) and Jagdish Chandane (the **Respondent**) entered into a Settlement Agreement dated April 23, 2025 (the **Settlement Agreement**), in which the Respondent admitted to certain misconduct in contravention of the Mutual Fund Dealer Rules, as set out below.

[3] Staff and the Respondent made a joint submission to the Hearing Panel (the **Panel**) requesting that the Settlement Agreement be accepted pursuant to Rule 7.4.4 of the Mutual Fund Dealer Rules.

II. FACTS

[4] The material facts of the case are set out in Part III, Paragraphs 3 to 23, of the Settlement Agreement.

[5] The Respondent has been registered in the securities industry since approximately September 2015. At the time of the misconduct, the Respondent was registered with Investia Financial Services Inc.

III. TERMS OF THE SETTLEMENT AGREEMENT

A. Contraventions

[6] In the Settlement Agreement, the Respondent admitted to the following contraventions of Mutual Fund

Dealer Rule 2.1.1:

Between April 7, 2018, and January 26, 2022, the Respondent failed in his obligations regarding the proper execution of client account documents, resulting in the collection, possession, and use of pre-signed and altered client account forms.

B. Proposed Sanction

[7] In the Settlement Agreement, Staff and the Respondent agreed that the following sanctions would be imposed on the Respondent, subject to acceptance by the Panel:

(i) a fine in the amount of $15,000 in certified funds, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b); and

(ii) costs in the amount of $2,500 in certified funds, pursuant to Mutual Fund Dealer Rule 7.4.2.

[8] The Panel accepted Staff's submission that the Panel ought to accept the Settlement Agreement because the proposed sanction falls within a reasonable range of appropriateness, having regard to the nature and extent of the Respondent's admitted misconduct, and it also satisfies CIRO's regulatory objective of protecting the investing public. Therefore, accepting the Settlement Agreement would achieve the objectives of sanctions in the securities regulatory context and advance the public interest.

IV. LAW

A. The Standard of Conduct in Rule 2.1.1

[9] Mutual Fund Dealer Rule 2.1.1 is a rule of general application which prescribes the standard of conduct applicable to registrants in the mutual fund industry; it requires, among other things, that:

> Each Member and Approved Person of a Member shall: deal fairly, honestly and in good faith with its clients; observe high standards of ethics and conduct in the transaction of business; and not engage in any business conduct or practice which is unbecoming or detrimental to the public interest.

[10] Rule 2.1.1 is central to CIRO's mandate of enhancing investor protection and strengthening public confidence in the Canadian mutual fund industry. It is a broad rule which is designed to protect the public interest by requiring Approved Persons to adhere to a high standard of ethical conduct. Cases cited by CIRO counsel and followed by the Panel confirm that the Rule, which articulates the most fundamental obligations of all registrants in the securities industry, has been interpreted and applied in a purposive manner in a wide range of circumstances, including cases with similar misconduct as the present case.[1]

B. Pre-Signed Account Forms Contravene the Standard of Conduct in Rule 2.1.1

[11] "Pre-Signed Forms" refers to a situation in which an Approved Person obtains a client's signature on a partially or completely blank account form. Members and Approved Persons are only permitted to obtain, use and process forms that are executed by the client after all information on the form has been properly completed.

[12] Hearing panels have consistently held that obtaining or using pre-signed forms is a contravention of the standard of conduct prescribed under Mutual Fund Dealer Rule 2.1.1.[2]

[13] The MFDA (now CIRO) previously warned Members and Approved Persons against the use of pre-signed forms. Both the Staff Notice and Bulletin put the mutual fund industry on notice that the MFDA (now CIRO) would be seeking enhanced penalties at disciplinary proceedings for conduct that occurred after the publication of the Bulletin.[3]

[14] It is well-established that obtaining pre-signed forms after the publication of Bulletin #0661-E is an

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[1] *Breckenridge (Re*, 2007 CanLII 80232 (CMFDA) at para 71; *Izhar (Re)*, 2022 CanLII 115352 (CMFDA) at para 5; *Bell (Re)*, 2019 CanLII 12463 (CMFDA) at paras 9–11.

[2] *Lok (Re)*, 2020 CanLII 80673 (CMFDA) at para 9; *Bell*, *supra* para 10 at paras 9–10

[3] Staff Notice MSN-0066 – Signature Falsification; MFDA Bulletin #0661-E – Signature Falsification

aggravating factor.[4]

[15] The use of pre-signed forms is serious misconduct that adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation. As the hearing panel explained in *Price (Re)*[5]:

> "Pre-signed forms present a legitimate risk that they may be used by an Approved Person to engage in discretionary trading. [...] At its worst, pre-signed forms create a mechanism for an Approved Person to engage in acts of fraud, theft or other forms of harmful conduct towards a client. [...]
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> Pre-signed forms also subvert the ability of a Member to properly supervise trading activity. They destroy the audit trail. The presence of a client's signature on a trade form can no longer be taken as confirmation that the client authorized a particular trade. It also compromises the ability of the Member to subsequently investigate and respond to a client complaint concerning the propriety of trading activity in his or her account."

[16] The prohibition on the use of pre-signed forms applies regardless of whether:

(i) the client was aware, or authorized the use, of the pre-signed forms; or

(ii) the forms were used by the Approved Person for discretionary trading or other improper purposes.[6]

[17] The Respondent admitted that he obtained, possessed, and used to process transactions, 21 pre-signed account forms in respect of eight clients, contrary to Mutual Fund Dealer Rule 2.1.1.

[18] The Panel accepted Staff's submission that, in accordance with prior hearing panels decisions and the Respondent's admission to the contravention in the Settlement Agreement, the Respondent's conduct contravenes the standard of conduct prescribed by Mutual Fund Dealer Rule 2.1.1.

C. Altered Account Forms Contravenes the Standard of Conduct in Rule 2.1.1

[19] When an Approved Person alters information on an account form without having the client initial the alteration to show that the client is aware of the change and has duly authorized it, the Approved Person engages in conduct that is contrary to Mutual Fund Dealer Rule 2.1.1. Hearing panels have consistently held that altering account forms without obtaining client initials is a contravention of the standard of conduct prescribed under the Rule.[7]

[20] Historically, the MFDA (now CIRO) has warned Members and Approved Persons against altering account forms without having the client initial the alteration to show that they are aware of the change made to the information on the form. Both the Member Staff Notice and Bulletin put the mutual fund industry on notice that Staff would be seeking enhanced penalties at disciplinary proceedings for conduct that occurred after the publication of the Bulletin.[8]

[21] It is well-established that altering account forms without obtaining client initials after the publication of Bulletin #0661-E may be considered an aggravating factor.[9]

[22] The improper alteration and use of account forms by Approved Persons is serious misconduct that, like the use of pre-signed forms described above, adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation.[10]

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[4] *Owen (Re),* 2017 CanLII 89023 (CMFDA) at para 35
[5] 2011 CanLII 72458 (CMFDA) at paras 122–124
[6] *Price, supra* para 15 at paras 122–124
[7] *Lok (Re), supra* para 12 at para 9; *Bell (Re), supra* para 10 at paras 9–10
[8] MSN-0066, *supra* para 13 ; Bulletin #0661-E, *supra* para 13
[9] *Bates (Re),* 2020 CanLII 30011 (CMFDA) at paras 10–11 ; *Fulton (Re),* 2023 CanLII 81955 (CMFDA) at para 23
[10] Bulletin #0661-E, *supra* para 13

[23] The reasoning discussed by the hearing panel in *Price (Re)*[11], has been applied equally to altered account forms by subsequent hearing panels. The risks and negative consequences which can result from the use of pre-signed forms are analogous for altered forms which do not contain indicia of client authorization, such as initials. Additionally, altered forms present a risk that the changes made by the Approved Person have been done without the client's knowledge or consent.[12]

[24] The prohibition against altering client account forms exists regardless of the existence of client knowledge or authorization, the motive behind the use of the altered form, or whether the forms were used to further other misconduct, such as discretionary trading or other improper purposes.[13]

[25] In this case, the Respondent admitted in the Settlement Agreement that he altered and used to process transactions, one account form in respect of one client, by altering information on the account form without having the client initial the alterations, contrary to Mutual Fund Dealer Rule 2.1.1.

[26] Consequently, in accordance with prior hearing panels' decisions and the Respondent's admission to the contravention in the Settlement Agreement, the panel agreed that the Respondent's conduct contravenes the standard of conduct prescribed by Mutual Fund Dealer Rule 2.1.1.

D. General Principles Regarding the Acceptance of Settlement Agreements

[27] Investor protection is the primary goal of securities regulation. In addition to protecting investors from unfair, improper or fraudulent practices, the goals of securities regulation include fostering public confidence in the capital markets and the securities industry.[14]

[28] Settlements play an important and necessary role in facilitating CIRO's principal goal of protecting the investing public as they achieve outcomes which further the goals of the securities regulatory context. Settlements provide an efficient and effective way for CIRO to proscribe conduct that is harmful to the public, while providing a flexible remedy that can be tailored to address the interests of CIRO and Respondents. In *British Columbia (Securities Commission) v Seifert*[15], the British Columbia courts emphasized the value of the settlement process in enforcement proceedings by expressing the law's approval of settlements as a practical and efficient manner to address misconduct in the securities industry:

> "But the power to settle, ... is necessary if the Commission is going to carry out its purpose under s. 4(2) and its enforcement mandate under ss. 161 and 162 in an effective and efficient manner. Administrative tribunals do not and can not adjudicate on every matter that commences before them.
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> Settlements assist the Commission to ensure that its overriding objective, the protection of the public, is met. Settlements proscribe activities that are harmful to the public. In doing so, they are effective in accomplishing the purposes of the statute. They provide means of reaching a flexible remedy that is tailored to address the interests of both the Commission and the person under investigation. Enforcement is rarely a concern because the settlement is voluntary. A person who is the subject of an investigation retains the option of refusing to settle and proceeding to a hearing. Settlements are also efficient. Both parties can forego the time and expense of a hearing."
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> See also *Uy (Re)*[16]

[29] Pursuant to Mutual Fund Dealer Rule 7.4.4.3, a hearing panel may either accept the proposed settlement agreement or reject it in its entirety—it cannot modify it.[17]

[30] It is well established that prior to accepting a settlement agreement, a hearing panel must be satisfied

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[11] *Supra* para. 15
[12] *Lewis (Re)*, 2018 CanLII 43822 (CMFDA) at paras 29–30 ; *Owen (Re)*, *supra* para 14 at paras 32–34
[13] *Bell*, *supra* para 10 at para 9
[14] *Pezim v British Columbia (Superintendent of Brokers)*, [1994] 2 SCR 557; *Breckenridge, supra* para 10 at para 10; *Lewis, supra para 23* at paras 16–17
[15] 2006 BCSC 174 at paras 48–49, aff'd 2007 BCCA 484
[16] 2018 CanLII 54973 (CMFDA) at para 22
[17] Mutual Fund Dealer Rule 7.4, section 7.4.4.3; *Portfolio Strategies Corp (Re)*, 2020 CanLII 113320 (CMFDA) at para 9; *Uy*, *supra* para 28 at para 15

that:

(i) the facts admitted to by the Respondent constitute misconduct in contravention of CIRO requirements; and

(ii) the penalties contemplated in the settlement agreement fall within a reasonable range of appropriateness bearing in mind the nature and extent of the misconduct and all of the circumstances.[18]

[31] The role of a hearing panel at a settlement hearing is fundamentally different than its role at a contested hearing. At a settlement hearing, its role is not to determine the correct penalty or whether it would have come to the same conclusion as that reached by the parties in their settlement, but rather, to determine whether the penalty agreed to between CIRO and a respondent falls within the reasonable range of appropriateness having regard to the respondent's conduct. Accordingly, it is generally accepted that hearing panels will not lightly interfere in a settlement agreement reached between CIRO and a respondent and will not alter a penalty that it considers to be within a reasonable range.[19]

[32] As stated by the hearing panel in *Uy supra* para 28 at para 23, hearing panels should respect settlements negotiated by the parties because:

> "A Panel does not know what led to a settlement, what was given up by one party or the other in the course of the negotiations, and what interest each party has in agreeing to resolve the matter. The Panel cannot go beyond the settlement agreement. There are almost always facts that play a role in the settlement which are not set out in the Settlement Agreement or brought to the attention of the Panel."

[33] The principle that a hearing panel should not reject a settlement agreement unless the proposed penalty clearly falls outside the reasonable range of appropriateness assists CIRO in fulfilling its regulatory objectives of protecting the public and enhancing investor protection. This principle, as well as factors that a Hearing Panel should consider in assessing whether a specific penalty is appropriate in a given case, was discussed in *Cummins (Re)*[20]

> "A Hearing Panel will not, and should not, reject a settlement agreement unless the proposed penalty clearly falls outside the range of appropriate penalty. An appropriate penalty is one that is fair and reasonable, addressing the nature and severity of the infraction, the element of specific and general deterrence, and the preservation of investor and public confidence in the integrity of the investment industry. An appropriate penalty is one that, generally speaking, accords with the range of penalties, imposed by MFDA Hearing Panels in Hearings addressing similar violations, while taking into account the specific aggravating or mitigating factors that may apply".
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> See also *Sterling, supra,* para 31 at para. 9

E. General Considerations Concerning the Acceptance of Settlement Agreements

[34] When determining whether it would be appropriate to accept a proposed settlement, hearing panels have taken into account the following considerations:

(i) whether acceptance of the settlement agreement would be in the public interest and whether the penalty imposed will protect investors;

(ii) whether the settlement agreement is reasonable and proportionate, having regard to the conduct of the respondent as set out in the settlement agreement;

(iii) whether the settlement agreement addresses the issues of both specific and general deterrence;

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[18] *Sun Life Financial Investment Services (Canada) Inc (Re)*, 2015 CanLII 69096 (CMFDA) at para 7

[19] *Uy*, *supra* para 28 at paras 22–24; *Sterling Mutuals Inc (Re)*, 2008 CanLII 87748 (CMFDA) at para. 9; *Milewski (Re)*, [1999] IDACD No 17, Ontario District Council Decision dated July 28, 1999 at para.10

[20] 2017 CanLII 43223 (CMFDA) at para 30

(iv) whether the proposed settlement will prevent the type of conduct described in the settlement agreement from occurring again in the future;

(v) whether the settlement agreement will foster confidence in the integrity of the Canadian capital markets;

(vi) whether the settlement agreement will foster confidence in the integrity of CIRO; and

(vii) whether the settlement agreement will foster confidence in the regulatory process itself.[21]

[35] Applying the legal principles set out above, this Panel agreed with Staff , that the proposed penalties fall within a reasonable range of appropriateness having regard to other similar cases, and as set out in more detail below, acceptance of the Settlement Agreement advances the public interest and achieves the regulatory objectives of this proceeding.

F. Specific Factors Concerning the Appropriateness of Sanctions

[36] Hearing panels also frequently consider the following factors when determining whether a proposed penalty is reasonable and appropriate, and should therefore be accepted:

(i) the seriousness of the contraventions admitted to, or the allegations proved against, the respondent;

(ii) the respondent's past conduct, including prior sanctions;

(iii) the respondent's experience and level of activity in the capital markets;

(iv) whether the respondent recognizes the seriousness of the misconduct;

(v) the harm suffered by investors as a result of the respondent's activities;

(vi) the benefits received by the respondent as a result of the misconduct;

(vii) the risk to investors and the capital markets in the jurisdiction, were the respondent to continue to operate in capital markets in the jurisdiction;

(viii) the damage caused to the integrity of the capital markets in the jurisdiction by the respondent's improper activities;

(ix) the need to deter not only those involved in the case being considered, but also any others who participate in the capital markets, from engaging in similar improper activities;

(x) the need to alert others to the consequences of inappropriate activities to those who are permitted to participate in the capital markets; and

(xi) previous decisions made in similar circumstances.[22]

G. CIRO Sanction Guidelines

[37] Hearing panels may also consider the application of CIRO's Sanction Guidelines when evaluating an appropriate sanction in a given case. The CIRO Sanction Guidelines came into effect on February 1, 2024, and apply to proceedings conducted by hearing panels of CIRO. The Guidelines are not mandatory or binding on the hearing panel, but provide a summary of the key factors upon which discretion can be exercised consistently and fairly. An appropriate sanction depends on the facts of a particular case and the circumstances of the conduct, including proper consideration of aggravating and mitigating factors.[23]

[38] Many of the same factors that are listed above, which have been considered in previous decisions of hearing panels, are also reflected and described in the Guidelines.

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[21] See *Sterling, supra* para 31 at para.9

[22] *Headley (Re),* 2006 CanLII 79855 (CMFDA); *Sterling, supra* para. 31 at para 14

[23] CIRO Sanction Guidelines, dated February 1, 2024,

H. Application to Present Case

[39] The Panel considered the above-listed factors in determining an appropriate penalty, specifically, that emphasis should be placed upon the following factors.

Nature of the Misconduct

[40] Obtaining, possessing and using pre-signed account forms, and altering account forms without obtaining client initials, are both considered serious misconduct.

[41] The conduct is further aggravated by the fact that the Respondent engaged in the misconduct after the issuance of MFDA Bulletin #0661-E on October 2, 2015 and Staff Notice MSN-0066 on October 31, 2007. All of the pre-signed and altered account forms at issue in this case were obtained post-Bulletin and Member Staff Notice. This Panel accepts Staff's submission that this is an aggravating factor, which has been discussed by hearing panels in previous decisions.[24]

[42] Accordingly, the Panel concluded that meaningful penalties must be imposed to deter such practices from occurring in the future.

Respondent was Previously Warned by the Dealer Member for the Same Misconduct

[43] On June 22, 2018, the Dealer Member issued a warning letter to the Respondent concerning three pre-signed forms that had been found in his files during a branch audit in February 2018.

[44] All the forms that are the subject of this hearing were obtained by the Respondent after the Respondent was warned by the Dealer Member.

[45] The Panel found that, having been previously warned by the Dealer Member, the Respondent knew of his regulatory obligations as an Approved Person.

Respondent_s Recognition of the Seriousness of the Misconduct

[46] The Respondent's misconduct arose from transactions relating to 9 clients whose accounts he serviced. Upon discovering deficient account forms in client files maintained by the Respondent during an internal branch review, the Dealer Member conducted a full review of his client files. As a result of its review, the Dealer Member issued a disciplinary letter to the Respondent and placed him under strict supervision and required him to complete the Ethics and Professional Conduct Course offered by IFSE. The Dealer Member reported that the course has been completed.

[47] Based on his admissions, the Respondent has acknowledged that his conduct constitutes a serious contravention of the Mutual Fund Dealer Rules and the high standard of conduct expected of registrants in the securities industry. By entering into the Settlement Agreement, the Respondent has accepted responsibility for his actions, and has saved CIRO the time, resources and expenses associated with conducting a full disciplinary hearing on the merits to resolve the matter.

Harm Suffered by Investors

[48] The Dealer member sent audit letters to affected clients, along with copies of their transaction history and know-your-client information, to determine the accuracy of the information on the pre-signed and altered account forms and if the underlying transactions were authorized. No clients responded to the Dealer Member with any concerns.

[49] There is no evidence of any lack of authorization or financial loss to clients resulting from the Respondent's conduct. No clients have complained to the Dealer Member or CIRO.

Deterrence

[50] Deterrence is intended to capture both specific deterrence of the wrongdoer as well as general

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[24] *Owen*, *supra* para 14 at paras 27 and 35; *Lok*, *supra* para 12 at para 16

deterrence of other participants in the capital markets in order to protect investors. In *Cartaway Resources (Re)*[25] the Supreme Court of Canada held that deterrence should be taken into account when determining the appropriate penalty in disciplinary proceedings in the securities industry, as it is an appropriate consideration in making orders that are both protective and preventative in the regulation of capital markets. As Justice LeBel stated in *Cartaway Resources* at paras 52–62:

> "Deterrent penalties work on two levels. They may target society generally, including potential wrongdoers, in an effort to demonstrate the negative consequences of wrongdoing. They may also target the individual wrongdoer in an attempt to show the unprofitability of repeated wrongdoing. The first is general deterrence; the second is specific or individual deterrence: see C.C. Ruby, Sentencing (5th ed. 1999). In both cases deterrence is prospective in orientation and aims at preventing future conduct."

[51] The effect of general deterrence should advance the goal of protecting investors. As a result, the penalty levied should be sufficient to affirm public confidence in the regulatory system and ensure that the misconduct is not repeated by others in the industry. As the Supreme Court of Canada stated in *Cartaway Resources*:

> "The Oxford English Dictionary (2nd ed. 1989), vol. XII, defines "preventative" as "[t]hat anticipates in order to ward against; precautionary; that keeps from coming or taking place; that acts as a hindrance or obstacle". A penalty that is meant to deter generally is a penalty that is designed to keep an occurrence from happening; it discourages similar wrongdoing in others. In a word, a general deterrent is preventative. It is therefore reasonable to consider general deterrence as a factor, albeit not the only one, in imposing a sanction under s. 162. The respective importance of general deterrence as a factor will vary according to the breach of the Act and the circumstances of the person charged with breaching the Act."[26]

[52] The Panel concluded that the proposed penalty would serve as a deterrent to both the Respondent and others registered in the mutual fund industry. It sends a clear message that this type of misconduct is not tolerated within the securities industry. Further, the fine agreed to will put the industry on notice that engaging in such misconduct is considered a serious contravention of the Rules and will result in a significant fine against registrants who engage in this type of conduct.

I. Previous Decisions Made in Similar Circumstances

[53] The Panel reviewed cases cited by Staff and agreed that the sanctions proposed are consistent with the financial penalties imposed by hearing panels in previous cases concerning similar misconduct, including *Re Lok*, *supra*, *Re Chen*,[27], *Re Tochor*,[28] *Re Gusain*,[29] and *Re Vaarsi*.[30]

V. COSTS

[54] The principle of awarding costs in a disciplinary proceeding appropriately holds the Respondent accountable for a portion of the costs incurred by CIRO as a result of the Respondent's regulatory misconduct. As the operations of CIRO are funded by fees assessed on its Dealer Members, by awarding costs, the hearing panel transfers some of the financial costs of investigating and prosecuting the respondent from the CIRO membership to the respondent who contravened their regulatory obligations.

VI. CONCLUSION

[55] The Respondent admitted that the facts set out in the Settlement Agreement constitute misconduct in contravention of Mutual Fund Dealer Rule 2.1.1. Based on his admissions, the facts of this case, and previous decisions of hearing panels in similar cases, the Panel agrees with the proposed fine of $15,000 and costs of

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[25] 2004 SCC 26
[26] *Cartaway*, *supra* para 50 at para 61 ; *Tonnies (Re)*, 2005 CanLII 77675 (CMFDA) ; *Brown-John (Re)*, 2005 CanLII 77709 (CMFDA),
[27] 2019 CIRO 201910
[28] 2018 CIRO 201877
[29] 2019 CIRO 201887
[30] 2024 CIRO 02

$2,500.

[56] The Panel feels that this sanction furthers CIRO's mandate to enhance investor protection and strengthen public confidence in the Canadian investment industry by ensuring high standards of conduct by Dealer Members and Approved Persons. It conveys to the industry the importance of the regulatory requirement to comply with the prohibition against pre-signed and altered account forms, and thus it will encourage future compliance by mutual fund industry participants.

[57] Having regard to the nature of the Respondent's misconduct and the application of the legal principles and factors described above, the Panel agreed that the said penalty is reasonable and appropriate. Accordingly, it is in the public interest for the Panel to accept the Settlement Agreement.

DATED this 11th day of July 2025

"Frederick Webber"

Frederick H. Webber, Chair

"Robert White"

Robert White- Industry Member

"Emily Jelich"

Emily Jelich- Industry Member

IN THE MATTER OF
THE MUTUAL FUND DEALER RULES

AND

Jagdish Chandane

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Canadian Investment Regulatory Organization ("CIRO")[1] will issue a Notice of Settlement Hearing to announce a settlement hearing pursuant to Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure ("Rules of Procedure") to consider whether a Hearing Panel should accept this Settlement Agreement between Enforcement Staff and Jagdish Chandane (the "Respondent").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Enforcement Staff and the Respondent jointly recommend that the Hearing Panel accept this Settlement Agreement in accordance with the terms and conditions set out below.

PART III – AGREED FACTS

3. For the purposes of this Settlement Agreement, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

Registration History

4. Since September 11, 2015, the Respondent has been registered in Ontario as a dealing representative with Investia Financial Services Inc. (the “Dealer Member”), a Dealer Member of the Corporation registered as mutual fund dealer.

5. At all material times, the Respondent conducted business in the Oakville, Ontario area.

Pre-Signed Account Forms

6. At all material times, the Dealer Member’s policies and procedures prohibited having a client sign a form which is blank or only partially completed.

7. Between April 7, 2018, and January 26, 2022, the Respondent obtained, possessed and used to process transactions, 21 pre-signed account forms in respect of 8 clients.

8. The pre-signed account forms consisted of:

   (i) 18 Transfer Authorization Forms
   (ii) two Systematic Forms
   (iii) one Know Your Client (KYC) Update Form

9. The Respondent submitted all of the pre-signed account forms described above to the Dealer Member for processing.

Altered Account Form

10. At all material times, the Dealer Member’s policies and procedures prohibited its Approved Persons from altering or correcting any information on account forms without having the client initial the alteration to show that the alteration was authorized by the client.

11. On or about December 30, 2021, the Respondent used liquid correction fluid to alter information on a Transfer Authorization Form, without having the client initial the document to show the alteration was approved.

12. The Respondent submitted the altered Transfer Authorization form to the Dealer Member for processing.

The Dealer Member's Investigation

13. In June 2023, the Dealer Member's Compliance Department conducted a branch review, which resulted in the discovery of the pre-signed and altered accounts forms described above.

14. On December 18, 2023, as part of its investigation, the Dealer Member sent audit letters and a three-year transactional summary to the clients whose accounts the Respondent serviced, to confirm that the transactions conducted in their accounts were authorized, and that the KYC information on file was accurate. None of the clients responded to the Dealer Member with any complaints about the Respondent.

15. On January 22, 2024, the Dealer Member issued a warning letter to the Respondent and required him to complete the Ethics and Professional Conduct Course offered to IFSE by April 20, 2024.

16. On August 21, 2024, the Respondent was placed on strict supervision which required all orders including KYC Update forms, and New Account Application Forms to be reviewed and approved by a branch manager prior to processing. The Respondent was also prohibited from using Limited Trading Authorization.

17. On January 24, 2024, the Respondent signed a Letter of Undertaking in which he agreed to:

(i) submit to the discipline stated in the warning letter issued by the Member.

(ii) adhere to the guidelines, policies and procedures established by the Member.

(iii) comply with all applicable rules and regulations of CIRO and provincial securities regulations in the jurisdiction(s) in which he is registered.

Previous Dealer Member Warning

18. On June 22, 2018, the Dealer Member issued a warning letter to the Respondent concerning three pre-signed forms that had been found in his files during a branch audit in February 2018.

19. The Dealer Member's warning letter indicated that similar breaches in the future would result in further disciplinary action.

20. All the forms that are the subject of this Settlement Agreement were obtained by the Respondent after the Respondent was warned by the Dealer Member.

Additional Factors

21. Neither CIRO nor the Dealer Member have received client complaints regarding the Respondent's conduct.

22. There is no evidence of client financial loss or lack of client authorization for the underlying transactions with respect to the completion of the account forms.

23. By entering into this Settlement Agreement, the Respondent has accepted responsibility for his misconduct and saved CIRO the time, resources, and expenses that would have otherwise been necessary to conduct a contested hearing of the allegations.

PART IV – CONTRAVENTIONS

24. By engaging in the conduct described above, the Respondent committed the following contraventions of CIRO requirements:

Between April 7, 2018, and January 26, 2022, the Respondent failed in his obligations regarding the proper execution of client account documents, resulting in the collection, possession, and use of pre-signed and altered client account forms, contrary to Mutual Fund Dealer Rule 2.1.1.

PART V – TERMS OF SETTLEMENT

25. The Respondent agrees to the following sanctions and costs:

(i) the Respondent shall pay a fine in the amount of $15,000 in certified funds, pursuant to Mutual Fund Dealer Rule 7.4.1.1(b); and

(ii) the Respondent shall pay costs in the amount of $2,500 in certified funds, pursuant to Mutual Fund Dealer Rule 7.4.2.

26. The Respondent shall in the future comply with Mutual Fund Dealer Rule 2.1.1.

27. The Respondent shall attend on the date set for the Settlement Hearing.

28. If this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees to pay the amounts referred to above immediately upon such acceptance, unless otherwise agreed between Enforcement Staff and the Respondent.

PART VI – STAFF COMMITMENT

29. If the Hearing Panel accepts this Settlement Agreement, Enforcement Staff will not initiate any further action against the Respondent in relation to the facts set out in Part III and the contraventions in Part IV of this Settlement Agreement, subject to the provisions of the paragraph below.

30. If the Hearing Panel accepts this Settlement Agreement and the Respondent fails to comply with any of the terms of this Settlement Agreement, Enforcement Staff may bring proceedings under Mutual Fund Dealer Rule 7 against the Respondent. These proceedings may be based on, but not limited to, the facts set out in Part III of this Settlement Agreement.

PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

31. This Settlement Agreement is conditional on acceptance by the Hearing Panel.

32. This Settlement Agreement shall be presented to a Hearing Panel at a settlement hearing in accordance with Mutual Fund Dealer Rule 7.4.4, and Rules of Procedure 14 and 15, in addition to any other procedures that may be agreed upon between the parties.

33. Enforcement Staff and the Respondent agree that this Settlement Agreement will form all the agreed facts that will be submitted at the settlement hearing, unless the parties agree that additional facts should be submitted at the settlement hearing. If the Respondent does not appear at the settlement hearing, Staff may disclose additional relevant facts, if requested by the Hearing Panel.

34. If the Hearing Panel accepts this Settlement Agreement, the Respondent agrees to waive all rights under the Rules and By-law No. 1 of CIRO, and any applicable legislation to any further hearing, appeal, and review.

35. If the Hearing Panel rejects this Settlement Agreement, Enforcement Staff and the Respondent may enter into another settlement agreement or Enforcement Staff may proceed to a disciplinary hearing based on the same or related allegations.

36. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.

37. This Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel and CIRO will post a copy of this Settlement Agreement on the CIRO website. CIRO will publish a notice and news release of the facts, contraventions, and the sanctions agreed upon in this Settlement Agreement and the Hearing Panel's written reasons for its decision to accept this Settlement Agreement.

38. If this Settlement Agreement is accepted, the Respondent agrees that neither they nor anyone on their behalf, will make a public statement inconsistent with this Settlement Agreement.

39. This Settlement Agreement is effective and binding upon the Respondent and Enforcement Staff as of the date of its acceptance by the Hearing Panel.

PART VIII – EXECUTION OF SETTLEMENT AGREEMENT

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

41. An electronic copy of any signature will be treated as an original signature.

DATED this 23rd day of April, 2025.

"Witness"	"Respondent"
Witness	Respondent

"Kirshita Seevaratnam Baker"
Kirshita Seevaratnam Baker
Enforcement Counsel on behalf of
Enforcement Staff of the
Canadian Investment Regulatory
Organization

The Settlement Agreement is hereby accepted this 22nd day of May, 2025 by the following Hearing Panel:

Per: "Fred Webber"
Chair

Per: "Emily Jelich"
Industry Member

Per: "Robert White"
Industry Member

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[1] Where the rules, by-laws, and policies of the Mutual Fund Dealers Association of Canada (the "MFDA") that were in force immediately prior to amalgamation of the Investment Industry Regulatory Organization of Canada and the MFDA have been incorporated into the Mutual Fund Dealer Rules, Enforcement Staff have referenced the relevant section of the Mutual Fund Dealer Rules.