



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES
AND
SHOLEH SHARIFIAN**

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 Sholeh Sharifian (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. From April 25, 2019 to November 3, 2023, the Respondent was registered in New Brunswick as a Mutual Fund Dealer with Sun Life Financial Investment Services (Canada) Inc. (the

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.

“Dealer Member”), a Dealer Member of CIRO (formerly a Member of the MFDA). At all material times, the Respondent conducted business in the Niagara, Ontario area.

5. The Respondent was also registered with the Dealer Member in Ontario from May 19, 2021 to November 3, 2023, and in Alberta from February 11, 2020 to December 31, 2020.
6. Between January 21, 2022 and October 31, 2023, the Dealer Member designated the Respondent as a Branch Manager.
7. On November 3, 2023, the Dealer Member terminated the Respondent, and she is not currently registered in the securities industry in any capacity.
8. At all material times, the Respondent conducted business in the cities of St. John, NB, Nepean, ON, and Calgary, Alberta.

Failure to Know the Client and Report Information to the Dealer Member

9. At all material times, the Dealer Member’s policies and procedures provided that Approved Persons should be suspicious if the client “requests unusual transfers, withdrawals or other changes”, makes “repetitive and pressing requests for withdrawals”, or “gives out-of-character instructions for one large or several small cash withdrawals”.
10. At all material times, the Dealer Member’s policies and procedures also stipulated that “extra caution needs to be used when dealing with seniors [...] who deplete capital through withdrawals that exceed returns”.
11. The Dealer Member’s policies and procedures also provided that if an Approved Person suspects a client is in a vulnerable position the Approved Person should:
 - consider meeting with the client more frequently to remain informed about changes in their financial needs, employment status, health and other life events;
 - document the interaction with the Client and the Approved Person’s specific concerns, and discuss the situation with their manager; and
 - contact the Dealer Member who will provide guidance to the Approved Person.

12. In 2019, client A was approximately 67 years old.
13. In June 2019, the respondent met with the client and opened a new Registered Retirement Savings Plan (“RRSP”) account for the client at the Dealer Member. The Respondent was the Approved Person responsible for servicing the client’s account.
14. The Respondent recorded Know-Your-Client information for the client when opening the RRSP which included:
 - a) client A was self-employed;
 - b) little to no investment knowledge;
 - c) low to medium risk tolerance; and
 - d) a time horizon of three to seven years.
15. In July 2019, client A transferred an RRSP to the Dealer Member from another financial institution. The balance of the account totaling \$132,692 was invested in the RRSP account in a certain mutual fund.
16. Soon after the transfer of client A’s RRSP to the Dealer Member, the client initiated a monthly contribution of \$200, purchasing the same mutual fund that client A already held in her account. This monthly contribution ran from August 9, 2019 through October 9, 2020.
17. On November 24, 2020, approximately 16 months after opening the account, client A contacted the Respondent and requested the first of six redemptions from her RRSP account.
18. As described below, between November 2020 and May 2021, client A requested a total of six redemptions from her RRSP, totaling \$146,964.29. The Respondent processed the redemptions on behalf of the client, each of which was paid to client A’s bank account on file with the Dealer Member.

19. When requesting the first two redemptions, client A advised the Respondent that the redemptions were required to cover a drop in income that client A experienced due to the COVID-19 pandemic. In respect of the second redemption, client A told the Respondent that she was in “financial jeopardy”.
20. On March 25, 2021, client A asked the Respondent to withdraw \$30,000 from her RRSP account. At this time, client A wrote to the Respondent informing her: *“I have been a victim of a fraud and I need some money from my investment to help sort things out”*.
21. In respect of the fourth redemption request, client A informed the Respondent by email that she was very short of money and asked whether there were any monies left invested in her account.
22. Client A made the fifth redemption request after asking the Respondent to help her find out more information about her prescription plan. She asked the Respondent to withdraw \$10,000.
23. On May 12, 2021, the Respondent advised client A that she missed insurance premium payments. Client A told the Respondent that she was overdrawn, and the Respondent then suggested that she withdraw from her RRSP. Client A asked to withdraw \$15,000, and the Respondent informed client A that she only had a balance of approximately \$6,000 remaining. Client A asked the Respondent to withdraw the amounts remaining in her account.
24. The Respondent processed a redemption for \$6,250, which left a balance of about \$156 in client A’s RRSP account.
25. At all material times, the Respondent was aware that client A was a senior and was making frequent and repetitive redemptions from her investment accounts that were depleting her retirement savings.
26. The Respondent also processed four redemptions in client A’s account totaling \$61,250, after client A informed the Respondent that she was a victim of fraud.

27. The Respondent failed to adequately know the client when she failed to make appropriate inquiries regarding the circumstances of the fraud that the client advised her she was a victim of, or to obtain an accurate understanding of client A's financial position at that time.
28. The Respondent also did not report to the Dealer Member that client A made unusual request for redemptions from her account or that client A had informed her that she was a victim of fraud and continued to process redemptions in the client's account as described above.
29. In August 2022, client A's immediate family member contacted the Respondent expressing concerns about the redemptions in client A's account. The Respondent advised the Dealer Member about the complaint.
30. After investigating the matter, client A accepted payment of compensation from the Dealer Member.

Additional Factors

31. The Respondent states that she has limited financial means and as a result she is unable to pay a monetary penalty that is greater than the amounts set out in this Settlement Agreement. The Respondent has provided evidence to CIRO Staff which confirms that she has modest guaranteed income and few assets and savings.
32. The Respondent has not previously been the subject of disciplinary proceedings commenced by the MFDA or CIRO.
33. In relation to Sun Life's investigation into this matter, the Respondent was placed under close supervision from July 14, 2023 until November 3, 2023, and was charged a monthly close supervision administration fee of \$400, for a total amount of \$1,600.
34. By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources and expenses associated with conducting a contested hearing on the allegations.

PART IV – CONTRAVENTIONS

35. By engaging in the conduct described above, the Respondent committed the following contraventions of CISO requirements:
- Between November 2020 and May 2021, the Respondent processed redemptions at the request of a client, a senior, after receiving information that the client was a victim of a fraud, without making adequate inquiries as to the client's circumstances or reporting the information to the Dealer Member, contrary to Dealer Member's policies and procedures and Mutual Fund Dealer Rules 2.1.1, 2.2.1, and 1.1.2 (as it relates to 2.5.1).

PART V – TERMS OF SETTLEMENT

36. The Respondent agrees to the following sanctions and costs:
- (a) the Respondent shall pay a fine in the amount of \$7,500;
 - (b) the Respondent shall pay costs in the amount of \$5,000;
 - (c) Upon any future registration, the Respondent shall comply with Mutual Fund Dealer Rules 2.1.1, 2.2.1, and 1.1.2 (as it relates to 2.5.1).
 - (d) 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

37. 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.
38. 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

39. This Settlement Agreement is conditional on acceptance by the Hearing Panel.
40. 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.
41. 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.
42. If the Hearing Panel accepts this Settlement Agreement, the Respondent agrees to waive all rights under the Rules and By-law No. 1 of CISO, and any applicable legislation to any further hearing, appeal, and review.
43. 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.
44. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.
45. This Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel and CISO will post a copy of this Settlement Agreement on the CISO website. CISO 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.

46. 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.
47. 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

48. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.
49. An electronic copy of any signature will be treated as an original signature.

DATED this 21st day of January, 2026.

“Witness”

Witness

“Sholeh Sharifian”

Respondent

“Jennie Brodski”

Jennie Brodski
Enforcement Counsel on behalf of
Enforcement Staff of the Canadian
Investment Regulatory Organization

The Settlement Agreement is hereby accepted this 4th day of May, 2026 by the following Hearing Panel:

Per: “Edward Keyes”
Chair

Per: “David Smith”
Industry Member

Per: “Ken Wheelan”
Industry Member

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