

NOTICE / NEWS RELEASE

For immediate release

Enforcement Notice Decision 12-0243

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IN THE MATTER OF Maoqing Teng – Settlement Accepted

August 3, 2012 (Vancouver, B.C.) — On July 12, 2012, a Hearing Panel of the Investment Industry Regulatory Organization of Canada (IIROC) accepted a Settlement Agreement, with sanctions, between IIROC staff and Maoqing Teng.

Mr. Teng admitted that he failed to perform his gatekeeper obligations. Contrary to anti-money laundering legislation, he stated on account documents that he had met two clients when he had not; and accepted trading instructions for clients from a third party and another client without the existence of duly-executed trading authorizations.

Specifically, Mr. Teng admitted to the following violation(s):

- a) During the approximate period from March to July 2008, he failed to properly perform his role as a gatekeeper to the capital markets in respect of four client accounts by:
 - (i) failing to ensure that he learned the essential facts with respect to the opening of the accounts; and
 - (ii) failing to make diligent inquiries about certain transactions in circumstances that were peculiar, suspicious or appeared to be consistent with improper market related activity; thereby violating IDA Regulation 1300.1(a) and By-law 29.1.
- b) In April 2008, for the purpose of the requirements of *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, he represented on the account documents of two clients that he had met those clients when in fact he had not, contrary to By-law 29.1.



- c) From April 2008 to July 2008 inclusive, he accepted instructions from a third party without obtaining a duly-executed trading authorization, contrary to Dealer Member Rule 200.1(i)(3) (then Regulation 200.1(i)(a)).
- d) In May 2008, he accepted instructions from another client without the existence of a duly-executed trading authorization, contrary to Regulation 200.1(i)(a).

Pursuant to the Settlement Agreement, Mr. Teng:

- a) Shall not be permitted to re-apply for registration in any capacity for one year;
- b) Must pay a \$10,000 fine; and
- c) Must successfully re-write the examination based on the Conduct and Practices Handbook course, as a condition of re-registration.

Mr. Teng also agreed to pay costs in the amount of \$5,000.

The Settlement Agreement and the Hearing Panel's decision will be made available at www.iiroc.ca.

Documents related to ongoing IIROC enforcement proceedings – including Reasons and Decisions of Hearing Panels – are posted on the IIROC website as they become available. Click [here](#) to search and access all IIROC enforcement documents.

IIROC formally initiated the investigation into Mr. Teng's conduct in February 2009. The conduct occurred when he was a Registered Representative with the Richmond, B.C. branch of CIBC World Markets Inc., an IIROC-regulated firm. Mr. Teng is no longer a registrant with an IIROC regulated firm.

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IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. Created in 2008 through the consolidation of the Investment Dealers Association of Canada and Market Regulation Services Inc., IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian equity marketplaces.



IIROC investigates possible misconduct by its member firms and/or individual registrants. It can bring disciplinary proceedings which may result in penalties including fines, suspensions, permanent bars, expulsion from membership, or termination of rights and privileges for individuals and firms.

All information about disciplinary proceedings relating to current and former member firms is available in the [Enforcement section](#) of the IIROC website. Background information regarding the qualifications and disciplinary history, if any, of advisors currently employed by IIROC-regulated firms is available free of charge through the [IIROC AdvisorReport](#) service. Information on how to make investment dealer, advisor or marketplace-related complaints is available by calling 1.877.442.4322.