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Discipline

Discipline Penalties Imposed on Moin Mirza; Violation of By-law 19.5.

Person Disciplined A Hearing Panel appointed pursuant to IDA By-law 20 has imposed discipline penalties on Moin Mirza, at all material times an approved person employed by the Edmonton branch of Union Securities (“Union”).

By-laws, Regulations, Policies Violated Following a disciplinary hearing held on June 5, 2007, in Edmonton, Alberta, a Hearing Panel found that Moin Mirza failed to cooperate with an Association interview, contrary to By-law 19.5

Penalty Assessed In a separate penalty decision dated September 18, 2007, the Hearing Panel assessed a fine of \$40,000 and Association hearing costs in the amount of \$7,651.10 against Mirza.

Summary of Facts Mirza was employed by the Edmonton, Alberta branch of Union from August 1999 until that firm terminated his employment on August 8, 2005.

The Uniform Termination Notice (“UTN”) filed by Union in respect of Mirza indicated he had been dismissed for cause and there were two unresolved client complaints which alleged unauthorized trading against him. Subsequent to the filing of the UTN, Union filed several Complaints and Settlement Notices relating to Mirza each of which indicated possible regulatory violations.

In December 2005, the Association sent Mirza a registered letter which indicated that it had opened an investigation into his conduct as a Registered Representative (“RR”) with Union. In June 2006, the

Association issued a subsequent letter to Mirza to advise that its investigation would also make inquiries into certain other share transactions.

On July 24, 2006, the Association sent Mirza a registered letter stating that he was required to attend at the Association for an interview and provide information. That letter required him to contact the Association investigator before August 8, 2006 to arrange a time, date and location of the interview. It indicated that the interview must take place by no later than September 15, 2006 and that Mirza may have a lawyer present at the interview, if he wished.

In addition, the Association investigator attempted to contact Mr. Mirza by telephone. On July 12, 2006, the investigator contacted Mirza's father and requested that he ask Mirza to contact the Association. The investigator also left a message on Mirza's voice mail box.

Mirza did not respond to any of the requests for contact. Accordingly, on August 15, 2006, Association staff sent Mirza a registered letter which compelled him to attend an interview at 1 pm on September 7, 2006 at the Association's Calgary office. That letter was not claimed from Canada Post by Mirza.

On September 6, 2006 at about 6:20 pm, Mirza left a message on the investigator's voice mail box in which he indicated that he had received the August 15, 2006 letter and that he would not be attending the interview scheduled for the next day. In that same message, he also indicated that he would reply to any written questions that the Association had of him.

Mirza failed to attend the scheduled interview on September 7, 2006. Association staff sent him a letter to confirm receipt of his voice message. In that letter, Association staff specifically indicated that it did not consider the request to have questions submitted to him in writing as an alternative to attending the interview and that this matter would be referred to Enforcement Counsel with a recommendation to take disciplinary action for a breach of By-law 19.5

There was no indication that Mirza made any response to the Association's September 7, 2006 letter.

The investigator testified that, in his September 6, 2006 voice mail message, Mirza indicated that did not want to "get ambushed" by the industry, which was his interview experience with a November 2005 interview with Market Regulation Services Inc.

The Hearing Panel found that Mirza had no obligation to respond to the December 2005 and June 2006 letters, but that he should not have been surprised by the July 2006 letter which requested him to attend

an interview.

As of July 31, 2006, Mirza had a choice to make some response to the Association, including attempting to make telephone contact or leave a voice message providing a contact number and a date and time that he might be reached. Had he had the intention and desire to cooperate, he would have done so.

The Hearing Panel concluded that, up to that point, his responses to the Association did not bear the hallmarks of a response of a reasonable RR intending to cooperate. Rather, his actions were more consistent with a lack of any desire to cooperate and an intentional avoidance of the request for cooperation. Accordingly, the Hearing Panel found that Mirza had failed to cooperate with the Association's investigation.

In assessing penalty, the Hearing Panel considered the following factors to be aggravating:

- The contravention was intentional;
- The non-compliance was complete until a Notice of Hearing was issued;
- The non compliance stalled the investigation for eight months;
- The refusal was not based on legal advice;
- The Respondent's interview was of material importance to the investigation.

The Hearing Panel also considered mitigating factors to be that Mirza had no prior disciplinary history and that after the Notice of Hearing was issued, Mirza retained counsel and agreed to and was in fact interviewed by the Association on May 8, 2007.

With respect to the Association's costs of this matter, the Hearing Panel assessed reasonable hearing costs. The Hearing Panel also found that it had the jurisdiction to assess investigation costs by virtue of their finding that Mirza had breached By-law 19.5. However, as none of the Association's investigation costs related specifically to Mirza's failure to cooperate, the Hearing Panel did not order Mirza to pay any of the Association's investigation costs.

Mirza is not currently registered with a Member firm.

Association Secretary