

IN THE MATTER OF:

**THE RULES OF THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA**

AND

ALBERT YING YUEN WONG

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Investment Industry Regulatory Organization of Canada (“IIROC”) will issue a Notice of Application to announce that it will hold a settlement hearing to consider whether, pursuant to Section 8215 of the Consolidated Enforcement, Examination and Approval Rules of IIROC, a hearing panel (“Hearing Panel”) should accept the settlement agreement (“Settlement Agreement”) entered into between the staff of IIROC (“Staff”) and Albert Ying Yuen Wong (the “Respondent”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. 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

Overview

4. Between January 2016 and August 2017, the Respondent engaged in discretionary trading in a client's account with the client's verbal consent, but without obtaining prior written authorization from the client and approval of the Dealer Member. The Respondent had general discussions with the client from time to time about trading in the client's accounts but exercised discretion with respect to time, price, quantity, and type of securities.

Background

5. The Respondent has been a Registered Representative ("RR") since 1983 and was employed at Leede Financial Markets Inc. and subsequently Leede Jones Gable Inc. from June 2013 to June 2018, when he was terminated because of the unapproved discretionary trading.

The Client

6. The client, JM, was born in 1955 and is a professional engineer. The Respondent was JM's advisor from the late 1980s.
7. JM had a cash, LIRA and RRSP account with the Respondent at Leede. JM's NCAF identified his investment knowledge as "good" and his investment objectives as "30% income," "25% long term growth," "25% short term speculative," and "20% venture speculative." The risk allocation was "45% high."
8. During the period of January 2016 to August 2017, the total assets of the three accounts were approximately \$1.8 million.
9. In September 2017, JM moved to managed accounts at Leede.

Discretionary Trading

10. The Respondent and JM had agreed that the Respondent should make the trades necessary to meet the investment objectives of the accounts but that he did not want to be bothered with every single trade that the Respondent made.
11. The Respondent did not obtain written authorization for discretionary trading and JM's accounts were not approved as discretionary accounts by the firm.
12. Between January 2016 and August 2017, the Respondent executed over 500 trades in JM's accounts. JM was aware of the trades and commissions charged as he received and reviewed trade confirmations and his monthly account statements.
13. Although the JM accounts gained 7.82% overall during the period January 2016 to August 2017, the gains were reduced by certain short-term trading which incurred realized losses, often due to the commission charged.
14. In August 2017, the client became concerned about the volume of trading in his accounts and the commissions he was paying.
15. Between January 2016 and August 2017, JM paid approximately \$142,000 in commissions. Prior to this period on several occasions, and for example when updating his NCAF in October 2015, JM was made aware of the availability of a fee-based model but declined, requesting to stay in a transactional account.
16. To permit proper supervision of trading in client accounts by Dealer Members, formal written authorization is required from the client and approval by the firm prior to exercising discretionary authority. The discretionary trading ultimately gave rise to a complaint by JM to Leede about the frequency of trading and the commissions charged.

17. In May 2019, Leede reached a settlement with the client, compensating him for commissions incurred because of the Respondent's frequent trading.

Additional Factors

18. The Respondent has no prior disciplinary history with IIROC.
19. The Respondent has accepted responsibility for his misconduct.
20. The Respondent is 64 years old and has not been working in a registered capacity with a Dealer Member since June 2018.

PART IV – CONTRAVENTIONS

21. By engaging in the conduct described above, the Respondent committed the following contraventions of IIROC's Rules:
 - (i) Between January 2016 and August 2017, the Respondent exercised discretionary authority over a client account, contrary to Dealer Member Rule 1300.4.

PART V – TERMS OF SETTLEMENT

22. The Respondent agrees to the following sanctions and costs:
 - (i) A fine of \$10,000;
 - (ii) A suspension from IIROC registration in any capacity for 2 months;
 - (iii) Successfully re-write Conduct and Practices Handbook Examination before any approval; and
 - (iv) Costs of \$1,000.

23. If this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees to pay the amounts referred to above within 30 days of such acceptance unless otherwise agreed between Staff and the Respondent.

PART VI – STAFF COMMITMENT

24. If the Hearing Panel accepts this Settlement Agreement, 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.
25. If the Hearing Panel accepts this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Rule 8200 against the Respondent. These proceedings may be based on, but are not limited to, the facts set out Part III of this Settlement Agreement.

PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

26. This Settlement Agreement is conditional on acceptance by the Hearing Panel.
27. This Settlement Agreement shall be presented to a Hearing Panel at a settlement hearing in accordance with the procedures described in Sections 8215 and 8428, in addition to any other procedures that may be agreed upon between the parties.
28. Staff and the Respondent agree that this Settlement Agreement will form all of 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.

29. If the Hearing Panel accepts the Settlement Agreement, the Respondent agrees to waive all rights under the IIROC Rules and any applicable legislation to any further hearing, appeal and review.
30. If the Hearing Panel rejects the Settlement Agreement, Staff and the Respondent may enter into another settlement agreement or Staff may proceed to a disciplinary hearing based on the same or related allegations.
31. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.
32. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel and IIROC will post a full of copy of this Settlement Agreement on the IIROC website. IIROC will also publish a summary of the facts, contraventions, and the sanctions agreed upon in this Settlement Agreement.
33. If this Settlement Agreement is accepted, the Respondent agrees that neither he nor anyone on his behalf, will make a public statement inconsistent with this Settlement Agreement.
34. The Settlement Agreement is effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel.

PART VIII – EXECUTION OF SETTLEMENT AGREEMENT

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

DATED this “11” day of “May”, 2022.

“Maria Wong”
Witness

“Ricki Ann Newmarch”
Witness

“Albert Ying Yuen Wong”
Albert Ying Yuen Wong

“April Engelberg”
April Engelberg
Enforcement Counsel on behalf of
Enforcement Staff of the Investment
Industry Regulatory Organization of
Canada

The Settlement Agreement is hereby accepted this "8" day of "June", 2022 by the following Hearing Panel:

Per: "Omolara Oladipo"
Panel Chair

Per: "Jonathan Lund"
Panel Member

Per: "Brad Whyte"
Panel Member