

Re Wang

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Haimeng Wang

2026 CIRO 31

Canadian Investment Regulatory Organization
Hearing Panel (Pacific District)

Heard: August 19, 2026, in Vancouver, British Columbia by videoconference

Decision: August 19, 2026

Reasons for Decision: September 28, 2026

Hearing Panel:

Susan E. Ross, Chair, Darlene Barker and Brian Worth

Appearances:

Eric Chow, Enforcement Counsel

Haimeng Wang (Absent)

REASONS FOR DECISION ON SANCTIONS

INTRODUCTION

[1] This decision concludes an uncontested sanction hearing before a Hearing Panel of the Canadian Investment Regulatory Organization (**CIRO**) pursuant to Mutual Fund Dealer (**MFD**) Rule 7.3.

[2] On March 31, 2025, a Notice of Hearing with attached Statement of Allegations (together **the Notice of Hearing**) was issued for an Initial Appearance by Haimeng Wang (**the Respondent**) on July 15, 2025. The Notice of Hearing alleged that:

- a) between February 2021 and December 2022, the Respondent accessed a client's bank accounts and transferred the client's monies to herself and other individuals, thereby engaging in personal financial dealings with a client, contrary to MFDA Rules 2.1.1 and 2.1.4¹; and
- b) commencing on or about July 2023, the Respondent failed to cooperate with the investigation by Staff of CIRO (**Staff**) into the Respondent's conduct, contrary to MFD Rule 6.2.1.

[3] The Respondent delivered a Reply, attended multiple videoconference appearances and consented to a three-day hearing on the merits starting on August 18, 2026. When the parties reached an Agreed Statement of Facts (**the ASF**) on August 7, 2026, the hearing was changed to a one-day sanctions hearing on August 19, 2026, which the Respondent later elected not to attend.

[4] At the conclusion of the hearing, the Hearing Panel agreed with Staff's proposed disposition of the case as follows:

¹ On January 1, 2023, the Mutual Fund Dealers Association of Canada and the Investment Industry Regulatory Organization of Canada were consolidated into CIRO and the MFDA Rules were incorporated into the current MFD Rules. The Respondent's misconduct was governed by MFDA Rules 2.1.1 and 2.1.4 (now MFD Rules 1.1.1 and 2.1.4) and MFD Rule 6.2.1.

- a) The Respondent shall be permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CISO;
- b) the Respondent shall pay a global fine in the amount of \$353,791.02 consisting of:
 - i. disgorgement in the amount of \$151,895.51; and
 - ii. a fine in the amount \$201,895.51; and
- c) the Respondent shall pay costs in the amount of \$15,000, representing part of the costs of Staff's investigation and prosecution of this proceeding.

[5] The Hearing Panel's findings and reasons are explained below.

NON-APPEARANCE OF THE RESPONDENT

[6] The Respondent was self-represented throughout this proceeding. Multiple interim appearances were allowed to enable her to seek legal advice, confer with Staff, and provide Staff with information for its investigation.²

[7] On August 12, 2026, during settlement discussions with Enforcement Counsel the details of which were redacted from the emails tendered in evidence by Staff, the Respondent advised that if the sanctions hearing proceeded, she did not intend to attend. She explained that she had not yet been a match for legal assistance through CISO's Hearing Assistance Program, did not feel comfortable representing herself at the hearing and was not requesting an adjournment:

I understand that by not attending, I will not have an opportunity to make oral submissions to the Panel or respond to Staff's submissions at the hearing. I am not requesting an adjournment or any change to the hearing date. I understand that the Hearing Panel may proceed in my absence, and I am prepared to leave the determination of sanctions to the Panel.³

[8] Enforcement Counsel conveyed openness to an adjournment to enable the Respondent to pursue legal advice. He also invited her to at least attend the start of the hearing to explain that she had chosen not to make submissions respecting sanctions. The Respondent confirmed her desire to conclude the matter without further delay, stating:

I have considered this carefully and have reviewed a number of CISO and MFDA cases where respondents did not attend the sanction hearing. I have decided I would prefer not to attend the August 19 sanctions hearing and not to make submissions regarding sanctions.

If necessary, I am happy to email the CISO Hearings Office directly to confirm that I will not be attending and that I understand the hearing may proceed in my absence without submissions from me. Thank you.⁴

[9] On August 13, 2026, the Respondent confirmed to the CISO Hearings Office that she had chosen not to attend the hearing or make submissions regarding sanctions. She also confirmed her agreement with the ASF and understanding that the Hearing Panel could rely on those facts in determining sanctions.⁵

[10] The Hearing Panel was satisfied that the Respondent made a clear and informed decision not to participate in the sanctions hearing and proceeded in her absence pursuant to MFD Rule 7.3.4 and Mutual Fund Dealer Rules of Procedure 7.3 and 13.5.

[11] The Respondent's Reply to the Notice of Hearing contains assertions that contradict her admissions in the ASF and suggest possible mitigating factors relevant to sanctions. We disregarded all assertions in the Reply as none were established in evidence. Our decision is based solely on the Notice of Hearing, the ASF, affidavit evidence concerning the Respondent's absence from the hearing and Staff's investigation costs, and

² The Respondent attended initial and interim videoconference appearances on July 15 and October 15, 2025, and February 4, June 10 and July 8, 2026.

³ Affidavit of J. Xue (CISO Enforcement Litigation Assistant) (**Xue Affidavit**), August 17, 2026, Ex 1.

⁴ Xue Affidavit, August 17, 2026, Ex 1.

⁵ Xue Affidavit, August 17, 2026, Ex 1 and 2.

the oral and written submissions of Enforcement Counsel.

AGREED FACTS

[12] Between February 1, 2021, and December 20, 2022, the Respondent was registered as a dealing representative with TD Investment Services Inc. (**the Dealer Member**) and employed by a bank affiliated with the Dealer Member (**the Bank**). She was also an employee of the Bank between August 7, 2018, and December 20, 2022.

[13] At all material times, the Respondent operated in the Surrey, British Columbia, area and was subject to policies and procedures that:

- a) required an Approved Person to be honest and act with integrity in their dealings with clients and treat them fairly, equitably and with respect;
- b) prohibited misappropriation;
- c) prohibited an Approved Person from allowing personal interests to conflict or appear to conflict with the interests of clients; and
- d) required an Approved Person to take reasonable steps to identify existing and reasonably foreseeable conflicts of interest and promptly report any such conflict of interest.

[14] The Respondent resigned on December 20, 2022, because of the Dealer Member's investigation into her conduct that is the subject of this proceeding.

[15] She is no longer registered in the securities industry in any capacity.

UNAUTHORIZED TRANSFERS FROM CLIENT ACCOUNTS

[16] At all material times, the Respondent serviced the accounts of YW, a client of the Dealer Member and the Bank (**the Client**) who was approximately age 71 and retired in 2021.

[17] The Respondent and the Client were known to each other through their families before the Respondent's registration with the Dealer Member.

[18] QW was the Respondent's partner at all material times and a member of the Client's family.

[19] GY was a family friend of the Respondent.

[20] No later than February 2020, when the Respondent was employed by the Bank, the Client provided their password and login information to the Respondent to enable the Respondent to assist the Client with financial transactions including the Client's bill payments.

[21] Between February 2021 and December 2022, the Respondent:

- a) used the Client's online banking login and password to add herself, QW and GY as bill payees;
- b) accessed the Client's online banking at least 550 times; and
- c) processed at least 150 electronic transfers totalling \$151,895.51 (collectively **the Transfers**) from the Client's Bank accounts, as follows:
 - i. \$45,643.40 to the Respondent's bank account and to pay down her credit card;
 - ii. \$58,293.51 to QW's bank account and to pay down QW's credit card;
 - iii. \$29,750 to GY's bank accounts; and
 - iv. \$20,750 to a third-party recipient.

[22] The Respondent failed to cooperate with Staff's investigation. As a result, Staff could not determine the full nature and extent of the Respondent's conduct, including all the circumstances surrounding her transfers to QW, GY and the third-party recipient.

[23] The Respondent admits that:

- a) the Transfers were not authorized by the Client or repaid to the Client by the Respondent;

- b) the Respondent used the monies transferred from the Client's accounts to her own account to pay her own personal expenses and retained the financial benefit of those monies; and
- c) there is no evidence that the transfers the Respondent directed to QW, GY and the third-party recipient were used for the benefit of the Client.

[24] The Bank compensated the Client for all the Transfers.

[25] In preparing these Reasons, the Panel noted calculation discrepancies in the ASF and Staff's written submission concerning the breakdown of the amounts transferred from the Client's accounts. We understand from Enforcement Counsel's reply to our request for clarification that the amounts transferred to QW, GY and the third-party recipient totalling \$108,793.51 are correct, but the amount transferred to the Respondent's own accounts is overstated and should be \$43,102.40 rather than the \$45,643.40 indicated in the ASF and written submissions.

[26] This correction aligns the amounts transferred (\$151,895.91) with the total Transfers acknowledged by the Respondent in the ASF (\$151,895.51), except for a de minimis 50 cent discrepancy that was apparently another miscalculation in the ASF and written submissions. In the circumstances, the Panel has relied on the lower figure from the ASF (\$151,895.51).

FAILURE TO COOPERATE WITH STAFF'S INVESTIGATION

[27] In or about March 2023, Staff commenced an investigation into the Dealer Member's reports respecting the Respondent's access to the Client's accounts to process the Transfers.

[28] The Respondent did not fully answer Staff's inquiries. In particular, she claimed that transfers to QW and GY were authorized by the Client but provided only incomplete documents which did not establish that the transfers were authorized by the Client or how they were spent.

[29] On May 1, 2023, the Respondent advised Staff that she was out of the country due to a family emergency and would provide more information after July 2, 2023.

[30] The Respondent failed to contact Staff again or to further participate in the investigation.

ADMITTED CONTRAVENTIONS

[31] The Respondent admits that:

- a) between February 2021 and December 2022, she accessed a client's bank accounts and transferred the client's monies to herself and other individuals, thereby engaging in:
 - i. personal financial dealings with a client, contrary to MFDA Rule 2.1.4; and
 - ii. misappropriation or otherwise failing to account for monies obtained from a client, contrary to MFDA Rule 2.1.1; and
- b) commencing on or about July 2, 2023, she failed to cooperate with an investigation into her conduct by Staff, contrary to MFD Rule 6.2.1.

ADDITIONAL FACTORS

[32] Between June 2020 and February 2021, while the Respondent was employed by the Bank and before her registration with the Dealer Member, she used the Client's banking login and password to direct at least \$50,000 from the Client's accounts to herself, QW, GY and the third-party recipient. Whether or not the Client authorized these transfers is unknown. The Bank also compensated the Client for these amounts.

[33] The Respondent has not previously been the subject of CIRO or MFDA proceedings.

[34] By agreeing to the ASF, the costs associated with a full hearing on the merits were avoided.

SANCTIONS ANALYSIS

THE SANCTION PROVISIONS

[35] Staff requested a permanent bar from the industry, a substantial fine (\$353,791.02) incorporating an amount for disgorgement, and \$15,000 in costs.

[36] Before April 1, 2026, MFD Rule 7.4.1.1⁶ empowered a hearing panel to impose sanctions upon an Approved Person that include:

- (b) a fine not exceeding the greater of:
 - (i) \$5,000,000 per offence; and
 - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
 - (e) prohibition of authority of the person to conduct securities related business in any capacity for any period of time;
- if in the opinion of the Hearing Panel, the person:
- (i) has failed to comply with the provisions of any By-law or Rules of the Corporation.

[37] Disgorgement is not explicitly referred to in these sanctions provisions, but hearing panels have often ordered global fines under paragraph (b) that specify an included amount for disgorgement.

[38] Effective April 1, 2026, MFD Rule 7.4.1 was amended to explicitly address disgorgement and fines as distinct types of sanctions. This was done to harmonize the MFD Rules⁷ with the Investment Dealer and Partially Consolidated Rules.

[39] The amended wording of MFD Rule 7.4.1.1 now empowers a hearing panel to impose sanctions upon an Approved Person that include:

- (b) disgorgement of any amount obtained, including any loss avoided, as a result of committing the violation;
 - (c) a fine not exceeding the greater of:
 - (i) \$5,000,000.00 per offence; and
 - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
 - (f) prohibition of authority of the person to conduct securities related business in any capacity for any period of time;
- if in the opinion of the Hearing Panel, the person:
- (j) has failed to comply with the provisions of any By-law or Rule of the Corporation.

[40] The separation of disgorgement under the new paragraph (b) from the maximum fine amount under paragraph (c) increases the maximum total monetary sanctions that may be ordered under the rule.

[41] There is mixed authority on whether increases in maximum administrative fines under securities legislation apply to past conduct.⁸

[42] Since the monetary sanctions in this case do not exceed, and are in fact well below, the maximum fine permitted under the pre-amendment wording of MFD Rule 7.4.1.1, it is unnecessary to resolve whether the increased maximum that came into effect on April 1, 2026, could be applied to contraventions that pre-date the amendments.

⁶ Previously MFDA Rule 7.4.1.1 and before that section 24.1.1 of MFDA By-law No. 1.

⁷ MFD Rule 7.4.1.1 addresses the discipline of Approved Persons. MFD Rule 7.4.1.2 addresses the discipline of Dealer Members.

⁸ The Alberta Court of Appeal has held that increases in maximum administrative fines can be applied to misconduct that occurred before the increases came into effect: *Workum v. Alberta (Securities Commission)* 2010 ABCA 405, at paras 121-122. British Columbia and Ontario decisions, on the other hand, have held that amendments authorizing securities commissions to impose higher maximum monetary sanctions do not apply to contraventions that pre-date the amendments: *Thow v. Securities Commission (British Columbia)* 2009 BCCA 46; *Re Rowan* 2009 ONSC 46, at para 94, affirmed on other grounds 2010 ONSC 7029 and 2012 ONCA 208.

[43] We also note that the Notice of Hearing, issued on March 31, 2025, gave the Respondent notice of MFD Rule 7.4.1.1 as it read at that time. She was not given notice of the April 1, 2026, amendment to the sanction provision.

[44] Accordingly, and as requested by Staff, our order for monetary sanctions has been made under the pre-amendment wording of MFD Rule 7.4.1.1.

THE GOAL OF SANCTIONS IN SECURITIES REGULATION

[45] The primary goal of securities regulation is to protect investors and foster public confidence in the capital markets and securities industry. Disciplinary sanctions should be protective and preventative to restrain future misconduct in furtherance of those goals.⁹

[46] Deterrence is intended to capture both specific deterrence of the wrongdoer and general deterrence of other participants in the capital markets.¹⁰

[47] To achieve deterrence, sanctions must inevitably impose a burden on those who contravene CIRO's regulations. However, a sanction that is too low will fail to achieve deterrence and erode public confidence in the disciplinary process and integrity of the capital markets.¹¹

[48] The CIRO Sanction Guidelines, while not exhaustive or binding, are intended to reinforce consistency, fairness and transparency in the sanctioning process. They cover such principles as the expectation that sanctions are preventative, not punitive; that offenders should not be able to benefit financially from their misconduct; that multiple violations should be sanctioned proportionately to the totality of the misconduct; and that repeat offenders should be treated more severely.

[49] The Sanction Guidelines recognize that sanctions should address specific and general deterrence, weigh relevant mitigating and aggravating factors, and conform to sanctions in comparable prior cases. They list key factors that are commonly considered when determining appropriate sanctions. Those factors, not all of which will apply in every case, include the number, size, extent and duration of the transactions in issue, whether there was a pattern of misbehaviour, the extent of harm caused by the misconduct, the vulnerability of victims and efforts to compensate them, financial benefit to the respondent, prior disciplinary history, whether the misconduct was intentional, wilfully blind or reckless respecting regulatory requirements, and whether the misconduct occurred notwithstanding prior warnings from regulators or supervisors.

[50] Staff also referred us to a detailed list of frequently cited factors in hearing panel sanction decisions.¹²

THE PROVISIONS CONTRAVENED

[51] MFDA Rule 2.1.1 (now MFD Rule 2.1.1) requires Dealer Members and Approved Persons to deal honestly, fairly and in good faith with clients; observe high standards of ethics and conduct in the transaction of business; and refrain from engaging in any business conduct or practice which is unbecoming or detrimental to the public interest.

[52] Misappropriation of client funds is an egregious form of misconduct that involves significant breach of trust, causes serious harm to affected clients, and shakes public confidence in the mutual fund industry.¹³

[53] MFDA Rule 2.1.4 (now MFD Rule 2.1.4) requires Dealer Members and Approved Persons to take reasonable steps to identify and avoid conflicts of interest between themselves and clients.

[54] A serious, and unresolvable, conflict of interest arises where an Approved Person receives access to the accounts of a client account and obtains client money for their own benefit.¹⁴

⁹ *Pezim v. British Columbia (Superintendent of Brokers)*, [1994] 2 S.C.R. 557, at para 59; *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132, at para 42; *Re Tonnies* 2005 LNCMFDA 7, at paras 44-45.

¹⁰ *Re Cartaway Resources Corp.* 2004 SCC 26, at para 61.

¹¹ *Re Fauth* 2019 ABASC 102, at para 100.

¹² *Re Tonnies*, at para 48; *Re Breckenridge* 2007 LNCMFDA 38, at para 77.

¹³ *Re Palumbo* 2020 LNCMFDA 16, at paras 38-39; *Re Douglas* 2018 LNCMFDA 216, at para 42.

¹⁴ *Re Gaunt* 2013 LNCMFDA 63, at para 47.

[55] MFD Rule 6.2.1 requires current and former Dealer Members and Approved Persons to cooperate with CISO investigations including by answering questions and providing information and documents.

[56] This obligation is a necessary corollary to CISO's mandate to conduct examinations and investigations relating to compliance with CISO By-laws and Rules. Failure to cooperate is serious misconduct that subverts CISO's ability to investigate and discipline registrants and fulfill its function of protecting the public.¹⁵

[57] Full cooperation is required and failure to cooperate is serious even where some cooperation is present.¹⁶

THE APPROPRIATE SANCTIONS

[58] The Respondent's misconduct was very serious. She admitted to misappropriating or otherwise failing to account for \$151,895.51 taken in at least 150 transfers from the Client's accounts to herself, GY, QW and another third-party recipient. The substantial amount taken, deliberate and repeated nature of her misconduct, absence of contrition, and failure to repay any of the funds taken are aggravating factors in the determination of sanctions.

[59] The Bank's compensation of the Client has no impact on the Respondent's accountability. As the Ontario Capital Markets Tribunal stated in *Re MFDA (Rojas Diaz)*¹⁷:

Whether the loss was suffered by the client who was targeted or the bank that compensated the client, the seriousness of the Respondent's dishonesty, the amount of financial harm suffered and the corresponding financial benefit obtained are all unaffected. The MFDA panel erred by considering the steps taken by a third party to redress the harm to investors as a mitigating factor.¹⁸

[60] We agree with Staff that leniency on account of the Respondent's partial cooperation with CISO's investigation would serve to incentivize registrants to reveal some information while selectively cloaking more incriminating information and the full extent of their misconduct.

[61] The Respondent's breach of her duty to cooperate gravely undermined CISO's ability to fully investigate the very details of her conduct and accountability as a registrant. This manipulation should not be rewarded in any way.

[62] Although the Respondent has not been the subject of previous MFDA or CISO proceedings, the absence of a prior disciplinary record is not a significant mitigating factor where the misconduct committed is egregious, as it is here.¹⁹

[63] The Respondent's admission of similar conduct when she was a Bank employee and not yet registered with the Dealer Member demonstrate that her contraventions while a registrant were not isolated behaviour and reinforce that she is ungovernable and unfit for future registration.²⁰

[64] Staff referred us to recent decisions involving similar though not identical circumstances to this case. Those decisions invariably imposed a permanent ban plus financial sanctions that were typically in the order of twice the amount misappropriated plus \$50,000 or more for failure to cooperate with a CISO investigation.

[65] The Respondent's misconduct and failure to cooperate indicate that she cannot be trusted to return to the mutual fund industry. We agree that a permanent ban on her return to the securities industry and a \$50,000 fine for failure to cooperate are necessary to ensure specific and general deterrence and in keeping with prior decisions.

[66] For the Respondent's misappropriation and conflict of interest contraventions, Staff proposed a further fine under MFD Rule 7.4.1.1 in the amount of \$303,791.02, to be broken down into a disgorged amount and a

¹⁵ *Re Vitch* 2011 LNCMFDA 63, at paras 54-56; *Re Tonnies*, at para 41; *Re Armani*, 2017 LNCMFDA 185, at para 9; *Re Dixon* 2017 LNCMFDA 247, at para 12.

¹⁶ *Re Vitch*, at paras 54-56; *Re Travis* 2018 LNCMFDA 178, at para 8; *Re Tuitakalai* 2021 LNCMFDA 21, at paras 50-54.

¹⁷ 2021 ONSC 24, at paras 39-40.

¹⁸ *Re MFDA (Rojas Diaz)*, 2021 ONSC 24, at para 40.

¹⁹ *Re Olanrewaju* 2022 LNCMFDA 14, at para 33.

²⁰ *Re Lam* 2019 LNCMFDA 23, at paras 23-24.

fine amount.

[67] We were invited to order disgorgement of \$151,895.51 (the total amount the Respondent took and did not repay) and fine of \$151,895.51, on the reasoning that the Respondent should be required to disgorge all the misappropriated monies because:

- a) She had directly obtained the monies she transferred from the Client to her own bank accounts.
- b) She had indirectly obtained the monies she transferred from the Client to QW, GY and the third-party recipient. This inference was warranted because of the Respondent's direction and control of the transfers from the Client's account, she was closely related to QW and GY, and she should not benefit from uncertainty or ambiguity arising from her own failure to cooperate that prevented CIRO from investigating the circumstances surrounding her transfers to QW, GY and the third-party recipient.

[68] Alternatively, Staff suggested a breakdown of disgorgement of the amount the Respondent transferred into her own bank accounts and fine in the remaining amount to reach \$303,791.02.

[69] These options were suggested in the context of the disgorgement remedies in securities legislation which expressly refer to the "direct or indirect" obtaining of ill-gotten amounts.

[70] Section 161(1)(g) of the British Columbia *Securities Act*, for example, provides that if a person has not complied with the statute, and the Securities Commission considers it to be in the public interest, it may order "that the person pay to the commission any amount obtained, or payment or loss avoided, **directly or indirectly**, as a result of the failure to comply or the contravention." [emphasis added]

[71] The interpretation of s. 161(1)(g) is informed by *Poonian v. British Columbia Securities Commission*²¹ (**Poonian 2017**), where the British Columbia Court of Appeal adopted a discussion by the Ontario Securities Commission of the origins of the disgorgement remedy in securities regulation:

[79] I agree with the following discussion in *Re Limelight Entertainment Inc.* (2008) 31 OSCB 12030 about the origins of the remedy in Ontario, and find those observations applicable to interpreting s. 161(1)(g), which is similarly worded:

[48] The Five Year Review Report referred to the United States Securities and Exchange Commission ("SEC") disgorgement powers and noted that the following principles have been established in SEC decisions:

- (a) the SEC has ruled that disgorgement is an "equitable remedy designed to deprive [respondents] of all gains flowing from their wrong, rather than to compensate the victims of the fraud" [citation omitted];
- (b) the SEC has ruled that "any risk of uncertainty [in calculating disgorgement] should fall on the wrongdoer whose illegal conduct created the uncertainty" [citation omitted]; and
- (c) the SEC has ruled that once the SEC has established a disgorgement figure, the burden shifts to the respondent to disprove the reasonableness of that number.

Although we are not bound by SEC decisions, we agree with these general principles, subject to the comments below.²²

[72] In *Poonian 2017*, the Court of Appeal also explained that the purpose of disgorgement under s. 161(1)(g) is to compel a wrongdoer to give up any ill-gotten amounts. The disgorged amount deters persons from contravening the statute by removing the incentive to contravene, because it strips them of the benefits of their wrongdoing.²³ The following passage from a Securities Commission decision was referred to as an

²¹ *Poonian v. British Columbia Securities Commission* 2017 BCCA 207 (**Poonian 2017**) reversed in part on other grounds 2024 SCC 28.

²² *Poonian 2017*, at para 79.

²³ *Ibid* at paras 81-82.

example:

The purpose of a section 161(1)(g) payment is to remove from a respondent any amounts obtained through a violation of the Act. Given that, how the respondent spent the funds raised is not relevant to such purpose. Also, a respondent's ability to pay the amount is not relevant for such purpose.²⁴

[73] The Court of Appeal's description of the purposes of s. 161(1)(g) was adopted by the Supreme Court on appeal.²⁵

[74] CIRO's disgorgement powers are also informed by the general principles and purposes of disgorgement described in *Poonian 2017*. Accordingly, Principle 2 of the Sanctions Guidelines tracks the discussion of disgorgement in cases brought under s. 161(1)(g) and similar provisions in securities legislation:

As a general principle, wrong-doers should not benefit from their wrong-doing. Accordingly, in cases where the respondent benefitted financially as a result of the misconduct, the sanction should require disgorgement of some or all of any amounts obtained, including any losses avoided, **directly or indirectly**, as a result of the contravention. The purpose of disgorgement is to deter persons from contravening CIRO requirements by removing any incentive to engage in misconduct or non-compliance. Where applicable, disgorgement should be ordered in addition to any fine. [emphasis added]

[75] The disgorgement cases referred to us were investment fraud cases applying the disgorgement remedy in securities legislation in the context of joint and several orders against wrongdoers (registered or unregistered) who had obtained ill-gotten assets both directly and indirectly through nominee recipients and accounts, corporate alter egos and the like.²⁶

[76] The concept of obtaining "directly or indirectly" may be helpful in more complex CIRO cases. However, those words do not appear in the MFD Rule 7.4.1.1 sanctioning provision. And, unlike securities commissions, CIRO's jurisdiction is limited to members and former members, and CIRO hearing panels have no authority to make joint and several orders against unregistered parties (QW, GY and the third-party recipient).

[77] It is not a requirement of MFD Rule 7.4.1.1, nor did we find it necessary in a case of this kind, to draw granular inferences about the Respondent's subsequent direction and control of the amounts that she transferred from the Client's accounts to others, including related parties.

[78] She admitted misappropriating or otherwise failing to account for client funds through approximately 150 electronic transfers from the Client's accounts. The only complication in her case arises from the Respondent's own failure to cooperate, itself very serious misconduct, which prevented CIRO from investigating the details of her transfers of some of the funds to unregistered parties beyond the reach of CIRO's discipline process.

[79] Disgorgement is a discretionary remedy. We agree that it is in the public interest to order the Respondent to disgorge all the transferred funds. To conclude otherwise would undermine the credibility of the CIRO discipline process by incentivizing members and former members to avoid disgorgement orders by withholding information from CIRO investigations.

[80] Applying the disgorgement power in MFD Rule 7.4.1.1 in the context of its wording and purposes, we find that the Respondent "obtained" all the misappropriated funds when she transferred them from the Client's accounts. How she expended the funds by depositing some into the accounts of others, including related parties, whether as nominees, alter egos or giftees, need not be established to ground the order for disgorgement.

[81] A further fine of \$303,791.02, consisting of half disgorgement of the amounts the Respondent misappropriated and did not repay and half fine for those contraventions, is justified by the facts and in line with sanctions ordered in previous decisions.

²⁴ *Re Streamline Properties* 2015 BCSECCOM 66, at para 55.

²⁵ *Poonian v. British Columbia Securities Commission* 2024 SCC 28, at paras. 110-112.

²⁶ *Poonian 2017*; *Re Zhang* 2024 BCSECCOM 509; *Re Zhong* 2015 BCSECCOM 383.

COSTS

[82] MFD Rule 7.4.2 empowers the Hearing Panel to require the Respondent to pay any costs incurred by or on behalf of CIRO in connection with this proceeding and any investigation related to it.

[83] Staff filed a Bill of Costs totalling \$46,783.76 for time spent by counsel and an investigator up to August 10, 2026.²⁷

[84] This amount therefore does not include Staff costs for final preparation and attendance at the sanctions hearing on August 19, 2026.

[85] Staff's request for costs in the amount of \$15,000 is considerably less than the full amount of time and resources spent by Staff in this matter. The reduced amount gives more than adequate recognition to the benefit of costs avoided for a full hearing on the merits because the Respondent entered into the ASF which allowed the sanctions hearing to conclude in one day.

[86] We accept Staff's recommendation of a costs award of \$15,000.

CONCLUSION

[87] The Hearing Panel finds that the Respondent contravened MFDA Rules 2.1.1 and 2.1.4 and MFD Rule 6.2.1.

[88] Pursuant to MFD Rules 7.4.1.1 and 7.4.2, we order that:

- a) the Respondent shall be permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO;
- b) the Respondent shall pay a global fine in the amount of \$353,791.02 consisting of:
 - i. disgorgement in the amount of \$151,895.51; and
 - ii. fine in the amount \$201,895.51; and
- c) the Respondent shall pay costs in the amount of \$15,000, representing part of the costs of Staff's investigation and prosecution of this proceeding.

DATED at Vancouver, British Columbia, this 28th day of September, 2026.

"Susan E. Ross"

Susan E. Ross, Chair

"Darlene Barker"

Darlene Barker

"Brian Worth"

Brian Worth

Copyright 2026 Canadian Investment Regulatory Organization.

²⁷ Affidavit of J. Xue, August 11, 2026.



CIRO • OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES
AND
HAIMENG WANG**

AGREED STATEMENT OF FACTS

I. INTRODUCTION

1. By Notice of Hearing dated March 31, 2025, the Canadian Investment Regulatory Organization (“CIRI”) commenced a disciplinary proceeding against Haimeng Wang (the “Respondent”) pursuant to Mutual Fund Dealer Rules 7.3 and 7.4.

2. The Statement of Allegations attached to the Notice of Hearing set out the following Contraventions:

Contravention 1

Between February 2021 and December 2022, the Respondent accessed a client’s bank accounts and transferred the client’s monies to herself and other individuals, thereby engaging in personal financial dealings with a client contrary to MFDA Rule 2.1.4, and conduct contrary to MFDA Rule 2.1.1.¹

Contravention 2

Commencing on or about July 2, 2023, the Respondent failed to cooperate with an investigation into the Respondent’s conduct by Staff of CIRI, contrary to Mutual Fund Dealer Rule 6.2.1.

¹ On June 30, 2021, MFDA Rule 2.1.4 was amended and renumbered to become MFDA Rule 2.1.4(2) in respect of the conduct of Approved Persons. As the conduct addressed in this proceeding occurred before and after this amendment, the version of MFDA Rule 2.1.4 that was in effect between February 27, 2006 and June 30, 2021, and the version of MFDA Rule 2.1.4(2) that was in effect between June 30, 2021 and December 31, 2022 are applicable to this proceeding.

II. IN PUBLIC / IN CAMERA

3. The Respondent and Staff of CISO (“Staff”) agree that this matter should be heard in public pursuant to Rule 1.8 of the Mutual Fund Dealer Rules of Procedure.

III. ADMISSIONS AND ISSUES TO BE DETERMINED

4. The Respondent has reviewed this Agreed Statement of Facts and admits the facts set out in Part IV herein. The Respondent admits that the facts in Part IV constitute misconduct for which the Respondent may be penalized on the exercise of the discretion of a hearing panel of the Pacific District Committee (the “Hearing Panel”) of CISO pursuant to Mutual Fund Dealer Rule 7.4.1.

5. Staff and the Respondent jointly request that the Hearing Panel determine, on the basis of this Agreed Statement of Facts, the appropriate penalty to impose on the Respondent.

6. Staff and the Respondent agree that submissions made in this proceeding will be based only on the agreed facts in Part IV, and no other information, facts or documents, subject to the content of this paragraph and paragraph [7] below.

7. In the event that the Hearing Panel advises one or both of Staff and the Respondent of any additional facts that it considers necessary in order to determine the issues before it, Staff and the Respondent agree that such additional facts may be provided to the Hearing Panel, either: (a) with the consent of both Staff and the Respondent if the additional facts are agreed upon; (b) if the Respondent is not present at the hearing, Staff may disclose additional relevant facts, at the request of the Hearing Panel; or (c) if the parties are both present at the hearing and are not in agreement about the additional facts requested by the Hearing Panel, the parties will be given a reasonable opportunity to lead evidence concerning the additional facts. In circumstances where a party leads evidence concerning additional facts requested by the Hearing Panel, the opposing party may cross-examine any witness tendered to lead such evidence and shall be given a reasonable opportunity to lead responding evidence if they wish to do so.

8. Nothing in this Part IV is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against the Respondent.

IV. AGREED FACTS

Registration History

9. Between February 1, 2021 and December 20, 2022, the Respondent, Haimeng Wang (the “Respondent”), was registered as a dealing representative with TD Investment Services Inc. (the “Dealer Member”), a Dealer Member of CIRO (formerly a Member of the MFDA).

10. Effective December 20, 2022, the Respondent resigned as a result of the Dealer Member’s investigation into conduct described herein and is not registered in the securities industry in any capacity.

11. Between August 7, 2018 and December 20, 2022, the Respondent was also an employee of a bank (the “Bank”) that was affiliated with the Dealer Member.

12. At all material times, the Respondent operated in the Surrey, British Columbia area.

Contravention 1 – The Respondent Accessed a Client’s Account and Transferred Monies to Herself and other Individuals

13. At all material times the Respondent was subject to policies and procedures that:

- a) required Approved Persons to be honest and act with integrity in their dealings with clients and treat them fairly, equitably and with respect;
- b) prohibited misappropriation;
- c) prohibited Approved Persons from allowing personal interests to conflict or appear to conflict with the interests of clients; and
- d) required Approved Persons to take reasonable steps to identify existing and reasonably foreseeable conflicts of interest between each Approved Person acting on the Dealer Member’s behalf and the client, and promptly report any such conflict of interest.

14. At all material times, client YW was a client of the Dealer Member whose accounts were serviced by the Respondent. The Respondent also provided banking services to the client.

15. In 2021, client YW was approximately 71 years old and retired.

16. The Respondent and client YW were known to each other through their families prior to her registration with the Dealer Member.

17. Individual QW is a member of client YW's family. At the material times, individual QW was the Respondent's partner.

18. Individual GY was the Respondent's family friend.

19. No later than February 2020, when the Respondent was employed by the Bank, client YW provided the Respondent with client YW's password and login information for the Respondent to assist client YW with financial transactions, including client YW's bill payments.

20. Between February 2021 and December 2022, the Respondent:

- a) used client YW's online banking login and password to add herself and individuals GY and QW as bill payees;
- b) accessed client YW's online banking at least 550 times; and
- c) processed at least 150 electronic transfers from client YW's online banking or processing electronic transfers from client YW's bank accounts to herself, individuals GY, QW and another third-party recipient (the "Transfers").

21. The Transfers totaled \$151,895.51 and were directed by the Respondent as follows:

- a) \$45,643.40 to the Respondent's bank account and to pay down monies the Respondent owed on her credit card;
- b) \$58,293.51 to individual QW bank account and to pay down QW's credit card;
- c) \$29,750 to individual GY bank accounts; and
- d) \$20,750 to a third-party recipient.

22. The Transfers that the Respondent directed to her bank account and credit cards were not authorized by client YW, and the Respondent used these monies to pay her personal expenses. The Respondent retained the financial benefit of the \$45,643.40 she received from the Transfers.

23. Staff began an investigation into the Respondent's conduct as described below. The Respondent failed to cooperate with Staff's investigation and as a result Staff could not determine the full nature and extent of the Respondent's conduct including all the circumstances surrounding the Transfers to individuals QW, GY, and the third-party.

24. In respect of the \$106,252.11 of the Transfers directed to individuals GY, QW and the third party were not authorized by client YW.

25. In respect of the \$106,252.11 of the Transfers directed to individuals QW, GY and the third-party, there is no evidence that these Transfers were used for the benefit of client YW.

26. The Respondent did not repay the \$151,895.51 in Transfers she directed from client YW's accounts.

27. Client YW accepted payment of compensation from the Bank for the amounts of the Transfers.

Contravention 2 - The Respondent Failed to Cooperate with Staff's Investigation

28. In or about March 2023, Staff commenced an investigation into the Respondent's conduct to investigate reports from the Dealer Member alleging that the Respondent had accessed the accounts of client YW to process the Transfers, as described above.

29. Between March and May 2023, Staff wrote to the Respondent and requested information about the matters under investigation. The Respondent provided a response to Staff's questions but did not fully answer Staff's inquiries.

30. In particular, on March 17, 2023, Staff asked the Respondent, among other things, to detail the reason for why the Respondent had transferred approximately \$64,000 via 19 transfers from client YW's accounts to the Respondent and individuals' GY and QW's accounts. At this time, Staff was only aware of these 19 transfers from client YW's accounts rather than the entirety of the Transfers.

31. On March 29, 2023, the Respondent responded to Staff claiming that the transfers referred to in paragraph 30 above were authorized by client YW and provided certain documents. The documents provided by the Respondent were incomplete and did not establish that the transfers were authorized by client YW or how they were spent.

32. On May 1, 2023, the Respondent advised Staff that she was out of the country due to a family emergency. The Respondent again stated that the transfers referred to in paragraph 30 were authorized by client YW and that she would provide the information establishing that these transfers were authorized by client YW and how they were spent, when she returned to Canada after July 2, 2023.

33. The Respondent did not contact Staff after her May 1, 2023 email or further participate in Staff's investigation.

34. Between May 9, 2023 and September 7, 2023, Staff phoned, emailed and sent letters by mail to the Respondent's last known address as listed on the National Registration Database. Staff's letters and emails repeatedly requested that the Respondent contact Staff to schedule an interview. In particular:

- a) on May 9, 2023, Staff sent a letter by email to the Respondent informing her about the Status of the investigation into her conduct, which the Respondent accessed on May 29, 2023; and
- b) on July 25, 2023, Staff sent a letter to the Respondent by email requesting a response by August 14, 2023 to schedule an interview with Staff, which the Respondent accessed on July 25, 2023.

35. The Respondent did not contact Staff in response to these emails and letters and did not contact Staff to schedule an interview.

36. On July 27, 2025, after the issuance of the Notice of Hearing and Statement of Allegations in this matter, the Respondent provided Staff with documents including banking and credit card records, receipts and screenshots of electronic conversations the Respondent exchanged with client YW in respect of the Transfers. The documents and the Respondent provided to Staff confirmed that the Respondent received the Transfers directed to her in the amount of \$45,643.40 which she used to pay her personal expenses and amounts owing on her credit card. The Respondent did not provide any documents that addressed how the \$106,252.11 directed to individuals QW, GY and a third-party recipient was spent.

37. As a result of the Respondent's failure to cooperate with Staff's investigation, Staff is unable to determine the full circumstances of the nature and extent of the Respondent's conduct relating to the Transfers, including:

- a) whether the Respondent obtained other amounts from client YW; and
- b) how the \$106,252.11 in Transfers the Respondent directed to individuals QW, GY and the third-party recipient was spent.

Additional Factors

38. Between June 2020 and February 2021, while the Respondent was employed by the Bank and prior to her registration with the Dealer Member, the Respondent directed at least \$50,000 from client YW's accounts to herself, individuals QW and GY and the third-party recipient. The Respondent had used client YW's banking login and password to direct these monies prior to her registration. Whether or not client YW authorized these transfers is unknown. The Bank also paid compensation, in addition to the compensation for the Transfers referred above to client YW for these transfers that occurred prior to the Respondent's registration with the Dealer Member.

39. The Respondent has not previously been the subject of CIRO or MFDA disciplinary proceedings.

40. By agreeing to this Agreed Statement of Facts, the costs associated with a full hearing on its merits have been avoided.

Misconduct Admitted

41. By engaging in the conduct described above, the Respondent admits that she:

- a) between February 2021 and December 2022, accessed a client's bank accounts and transferred the client's monies to herself and other individuals, thereby engaging in:
 - (i) personal financial dealings with a client contrary to MFDA Rule 2.1.4; and
 - (ii) misappropriation or otherwise failing to account for monies obtained from a client, contrary to MFDA Rule 2.1.1; and
- b) commencing on or about July 2, 2023, failed to cooperate with an investigation into the Respondent's conduct by Staff of CIRO, contrary to Mutual Fund Dealer Rule 6.2.1.

Execution of Agreed Statement of Facts

42. This Agreed Statement of Facts may be signed in one or more counterparts which together shall constitute a binding agreement.

43. A facsimile copy of any signature shall be effective as an original signature.

DATED this 7th day of August, 2026.

“Haimeng Wang”

Haimeng Wang

“Eric Chow”

Staff of the Canadian Investment
Regulatory Organization

Eric Chow, Enforcement Counsel