



**IN THE MATTER OF
THE MUTUAL FUND DEALER RULESⁱ
and
Leszek Dziadecki**

ORDER

WHEREAS on August 3, 2022, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 (now Mutual Fund Dealer Rules 7.3 and 7.4) in respect of a disciplinary proceeding commenced against Leszek Dziadecki (the “Respondent”);

AND WHEREAS the first appearance in this hearing was held electronically by videoconference on October 19, 2022 during which a schedule was set for the balance of the proceeding;

AND WHEREAS on November 16, 2022, the Respondent served and filed a Reply to the Notice of Hearing;

AND WHEREAS the Notice of Hearing was amended on December 19, 2022;

AND WHEREAS on January 1, 2023, the MFDA and the Investment Industry Regulatory Organization of Canada were consolidated into a single regulator now called the Canadian Investment Regulatory Organization (“CIRO”);

AND WHEREAS on February 21, 2023, a motion by the Respondent to adjourn the hearing merits was heard by a hearing panel of the Ontario District Committee (the “Hearing Panel”) and was denied;

AND WHEREAS on February 27, 2023, February 28, 2023, March 29, 2023, and May 16, 2023, a hearing on the merits was conducted before the Hearing Panel electronically by videoconference;

AND UPON reading the affidavits and other documentary evidence filed by Staff of CIRO (“Staff”) and the written submissions of Staff and hearing the testimony of witnesses called by the parties and the oral submissions of the parties, the Hearing Panel is of the opinion that the Respondent:

- (a) between 2015 and 2016, the Respondent engaged in securities related business that was not carried on for the account of the Member or conducted through its facilities by recommending, selling, or facilitating the sale of syndicated mortgage investments to clients and other individuals, contrary to the Member’s policies and procedures and MFDA Rules 1.1.1, 2.1.1, and 1.1.2 (as it relates to MFDA Rule 2.5.1); and
- (b) between 2015 and 2016, the Respondent engaged in unapproved outside business activities in relation to syndicated mortgage investments, contrary to the Member’s policies and procedures and MFDA Rules 1.2.1(c),¹ 2.1.1 and 1.1.2 (as it relates to MFDA Rule 2.5.1).

AND WHEREAS a hearing to determine the appropriate sanction in this proceeding was held electronically by videoconference on January 30, 2024;

AND UPON reading the written submissions and hearing the oral submissions of the parties concerning the appropriate sanction to impose on the Respondent;

¹ At the time of the misconduct hearing, MFDA Rule 1.2.1(c) had been incorporated into MFDA Rule 1.3.

IT IS HEREBY ORDERED THAT:

1. The Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer commencing on the date of this Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(e)).
2. The Respondent shall pay a fine in the amount of \$300,000 on the date of this Order, pursuant to s. 24.1.1(b) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(b)).
3. The Respondent shall pay costs in the amount of \$30,000 on the date of this Order, pursuant to s. 24.2 of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.2).
4. If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by CIRO's Privacy Policy, then the Corporate Secretary's Office, Mutual Fund Dealer Division of CIRO shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all intimate financial and personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

DATED this 30th day of January, 2024.

“Fred Webber”

Fred Webber,
Chair

“Guenther Kleberg”

Guenther Kleberg,
Industry Representative

“Kenneth Mann”

Kenneth Mann,
Industry Representative

ⁱ On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization that is called the Canadian Investment Regulatory Organization (referred to herein as “CIRO”) and is recognized under applicable securities legislation. CIRO adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Pursuant to Mutual Fund Dealer Rule 1A and s. 14.6 of By-law No. 1 of CIRO, contraventions of former MFDA regulatory requirements may be enforced by CIRO. Pursuant to Mutual Fund Dealer Rule 1A, MFDA By-law No. 1 continues to be applicable to this proceeding.