

3.1.3 Ahmad Mansur Khan

IN THE MATTER OF  
THE SECURITIES ACT  
R.S.O. 1990 C. S.5, AS AMENDED

AND

IN THE MATTER OF  
THE REGISTRATION OF  
AHMAD MANSUR KHAN

OPPORTUNITY TO BE HEARD BY THE DIRECTOR  
PURSUANT TO SUBSECTION 26(3) OF THE  
SECURITIES ACT

**Date:** November 28, 2003

**Director:** David M. Gilkes  
Manager  
Registrant Regulation

**Submissions:** Dianna Daley  
Registration Officer

Ahmad Mansur Khan  
Registrant

**DECISION AND REASONS FOR DECISION**

The decision of the Director is to impose terms and conditions upon the registration of Ahmad Mansur Khan (the Registrant). These are the reasons for the decision.

**Background**

The Ontario Securities Commission (OSC) granted Mr. Khan registration as a salesperson with PFSL Investments Canada Ltd. (PFSL) in January 1998. On September 24, 2003, the OSC was informed by the Registrant's employer, PFSL, that the Registrant had a garnishment placed on his earnings.

On October 8, 2003, Staff sent a letter to the Registrant and PFSL proposing terms and conditions requiring quarterly reporting to the OSC, be imposed on the registration of Ahmad Mansur Khan. The Registrant did not accept the proposal and requested the opportunity to be heard by the Director pursuant to subsection 26(3) of the Act which states:

(3) Refusal – The Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions thereon without giving the applicant an opportunity to be heard.

The other provision relevant to this decision is subsection 26(2) of the Act which states:

(2) Terms and conditions – The Director may in his or her discretion restrict a registration by imposing terms and conditions thereon and, without limiting the generality of the foregoing,

may restrict the duration of registration and may restrict the registration to trades in certain securities or a certain class of securities.

The Registrant requested to be heard through a written submission, which was dated October 17, 2003 and received by the OSC on October 24, 2003.

**Summary of the Registrant's Submission**

The Registrant asked that his registration be allowed to continue without terms and conditions. Mr. Khan noted that his mutual fund license was suspended by PFSL and as a result his earnings will be reduced until this suspension is finished. He said that PFSL does not provide supervision as required by the terms and conditions.

**Summary of Staff's Submission**

Staff of the OSC recommended that standard terms and conditions for quarterly reporting to the OSC be imposed on the registration of Ahmad Mansur Khan. The garnishment on his earnings led Staff to have concerns regarding the Registrant's continued suitability for registration.

Suitability for registration has three broad components: proficiency (education and experience), integrity, and financial soundness. The garnishment has a bearing upon the last component. It is Staff's standard practice to impose terms and conditions for quarterly reporting on an individual's registration should that person file for bankruptcy, have a garnishment or receive a Requirement to Pay Notice. In these cases a registrant may make decisions that may not be in the best interest of the investor and as a result mandatory supervision is imposed. In this case Mr. Khan has not provided any reasons why he should not be supervised.

**Director's Findings**

I find that terms and conditions as set out in Exhibit "A" should be imposed upon the registration of Ahmad Mansur Khan.

Staff have consistently imposed terms and conditions on the registration of an individual who files for bankruptcy, has a garnishment or receives a Requirement to Pay Notice, as it affects the financial soundness and consequently the suitability of a registrant.

The position of Staff is consistent with the OSC mandate of investor protection and for these reasons, I find that terms and conditions should be imposed on the registration of Ahmad Mansur Khan.

November 28, 2003.

"David M. Gilkes"

**Exhibit "A"**  
**Terms & Conditions for Registration**  
**of**  
**Ahmad Mansur Khan**

1. Written **quarterly** supervision reports (copy attached) are to be submitted to the Ontario Securities Commission (Attention: Manager, Registrant Regulation) reporting on the details of Ahmad Khan's sales activities and his dealings with clients. The first quarterly report covering the period from the date of this letter up to December 31, 2003 is due by January 15, 2004. Subsequent reports are due 15 calendar days after the end of each relevant quarterly reporting period.
2. All handling of clients funds will be strictly supervised by Ahmad Khan's supervising officer.
3. This condition is to continue until Ahmad Khan has fully satisfied his obligation and presents to the Manager, Registrant Regulation, acceptable evidence that same has been complied with.

\_\_\_\_\_  
Approved Officer for  
PFSL Investments Canada Ltd.

\_\_\_\_\_  
Print Name of Signatory Above

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ahmad Mansur Khan  
Registrant

\_\_\_\_\_  
Date

**QUARTERLY SUPERVISION REPORT**

I hereby certify that strict supervision has been conducted for the quarter ending \_\_\_\_\_, 200\_\_, of the trading activities of \_\_\_\_\_, by the undersigned. I further certify the following:

1. All orders, both buy and sell, and sales contracts have been initialled and reviewed by a senior officer before entry.
2. All client accounts have been reviewed for:
  - suitability of investments
  - excess trading or switching, and
  - client addresses and any amendments thereto
3. A review of trading activity on a daily basis has been conducted of the salesperson's client accounts.
4. No transactions have been made in any new account until the full and correct documentation is in place.
5. No client complaints have been received during the period covered. (If there have been, please attach a copy of the complaint documentation and the follow-up action initiated by the company).
6. There has been no handling of clients' funds or securities or issuance of cheques to clients without management approval.
7. Any transfer of funds or securities between clients' accounts has been authorized in writing and reviewed by the supervising officer.
8. Spot audits of the salesperson's client accounts have been conducted during the preceding month to ensure compliance with these procedures and no violation of these procedures were discovered.

\_\_\_\_\_  
Supervising Officer

\_\_\_\_\_  
Date