



NEWS RELEASE

For immediate release

For further information, please contact:

Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfdca.ca

MFDA Hearing Panel Issues Decision respecting Arnold Tonnie's Disciplinary Hearing

July 5, 2005 (Toronto, Ontario) - A Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Decision in connection with the disciplinary hearing held in Regina, Saskatchewan on May 16, 2005 in respect of Arnold Tonnie's.

As previously announced following the hearing on May 16, 2005, the Hearing Panel found that the three allegations set out by MFDA staff in the Notice of Hearing dated February 10, 2005, summarized below, had been substantiated:

- Allegation #1: In or around July 2002, Tonnie's borrowed \$250,000 from two clients to finance his outside business activity as a cattle farmer, thereby placing his personal interests above those of his clients and giving rise to an actual or potential conflict of interest, contrary to MFDA Rule 2.1.4.
- Allegation # 2: In or around July 2002, Tonnie's failed to abide by the policies and procedures set out by the Member regarding conflicts of interest by borrowing money from two clients to finance his outside business activity as a cattle farmer, thereby failing to observe high standards of ethics and conduct in the transaction of business, contrary to MFDA Rule 2.1.1 (b).
- Allegation #3: Commencing in or around December 2003, Tonnie's failed to produce for inspection and provide copies of documents requested by the MFDA for the purpose of investigating a complaint made against Tonnie's, contrary to s. 22.1 of By-Law No. 1.

The following is a summary of the Hearing Panel Orders set out in its Decision:

- (1) A permanent prohibition of Arnold Tonnie to conduct securities-related business in any capacity;
- (2) A fine in the aggregate amount of \$350,000; and
- (3) Costs of the proceedings in the amount of \$7,500.

A copy of the Decision is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 181 members and their approximately 70,000 representatives with a mandate to protect investors and the public interest.

-30-