



NEWS RELEASE

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MFDA Issues Notice of Hearing regarding Arnold Tonnies

February 22, 2005 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (MFDA) today announced that it has commenced disciplinary proceedings against Arnold Tonnies.

MFDA staff alleges in its Notice of Hearing that Tonnies engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

- Allegation #1: In or around July 2002, Tonnies 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, Tonnies 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, Tonnies failed to produce for inspection and provide copies of documents requested by the MFDA for the purpose of investigating a complaint made against Tonnies, contrary to s. 22.1 of By-Law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the Regional Council of the Prairie Region of the MFDA in the Hearing Room located at # 2330, 355 – 4th Avenue, S.W., Calgary, Alberta on Tuesday March 22, 2005 at 9:00 a.m. (Mountain) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to schedule any other procedural matters.

The hearing is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the hearing will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA web site 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 183 members and their approximately 70,000 representatives with a mandate to protect investors and the public interest.