



NEWS RELEASE

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MFDA Issues Notice of Hearing regarding Joseph Van Der Velden and Andrew Stokman

May 2, 2005 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Joseph Van Der Velden and Andrew Stokman, (referred to collectively as the "Respondents").

MFDA staff alleges in its Notice of Hearing that Joseph Van Der Velden and Andrew Stokman engaged in the following conduct contrary to the By-law, Rules or Policies of the MFDA.

Allegation #1: Between May 2002 and December 2002, the Respondents engaged in securities related business that was not carried on for the account of the Member, through the facilities of the Member, or in accordance with MFDA By-law and Rules, by facilitating the participation of clients of the Member and other individuals in an investment scheme that was contrary to Ontario securities law (the "Lech Investment") without the knowledge or approval of the Member, contrary to MFDA Rule 1.1.1.

Allegation #2: Between May 2002 and December 2002, Van Der Velden facilitated the participation of clients of the Member and other individuals in the Lech Investment and in the course of doing so, accepted and failed to return or otherwise account for approximately \$2.15 million, contrary to MFDA Rule 2.1.1.

Allegation #3: Between May 2002 and January 2003, Stokman facilitated the participation of clients of the Member in the Lech Investment by soliciting approximately \$1 million from them (including \$500,000 of the \$2.15 million referred to in Allegation #2) for investment through Van Der Velden, all of which remains owing and otherwise unaccounted for, contrary to MFDA Rule 2.1.1.

Allegation #4: Between May 2002 and January 2003, the Respondents preferred their own interests to those of the clients of the Member and failed to exercise responsible business judgment influenced only by the best interests of the clients of the Member by recommending to the clients of the Member that they participate in the Lech Investment in the expectation that the Respondents would receive substantial compensation as a result of the participation of such clients in the Lech Investment and by failing to provide such clients or the Member with written disclosure of the nature or amount of the compensation that the Respondents were paid as a result of the participation of such clients in the Lech Investment, contrary to MFDA Rules 2.1.1 and 2.1.4.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the Regional Council of the Ontario Region of the MFDA in the Hearing Room located at 121 King Street West, Suite 1000, Toronto, Ontario on Thursday, June 2, 2005 at 10:00 a.m. (EST) 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 181 members and their approximately 70,000 representatives with a mandate to protect investors and the public interest.

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