



## NEWS RELEASE

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### **MFDA Ontario Hearing Panel Makes Findings Against Earl Crackower**

**July 20, 2005** (Toronto, Ontario) – A disciplinary hearing in the Matter of Earl Crackower was held today before a Hearing Panel of the Ontario Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) in Toronto, Ontario. The Hearing Panel found that the four allegations set out by MFDA staff in the Notice of Hearing dated March 29, 2005, summarized below, had been proven:

Allegation #1: Between January 1994 and October 2003, Crackower had, and continued in, another gainful occupation that was not approved by the Member, contrary to MFDA Rule 1.2.1(d).

Allegation #2: Between January 1994 and October 2003, Crackower solicited and accepted monies from clients in the total amount of \$3.4 million, more or less, which he failed to return or otherwise account for, thereby failing to deal fairly, honestly and in good faith with his clients and engaging in business conduct which was unbecoming and detrimental to the public interest, contrary to MFDA Rule 2.1.1.

Allegation #3: On November 11, 2003, Crackower misled the MFDA by stating in response to an inquiry from the MFDA that he had only borrowed or solicited monies from one client when he knew that to be an incorrect response, thereby:

- i. failing to comply with his obligations under s. 22.2 of MFDA By-law No. 1; and
- ii. failing to observe high standards of ethics and conduct in the transaction of business, contrary to MFDA Rule 2.1.1(b).

Allegation #4: On July 6, 2004, Crackower failed to attend at the offices of the MFDA and give information for the purpose of allowing the MFDA to investigate a complaint made against him, contrary to s. 22.1(c) of MFDA By-Law No. 1.

The Hearing Panel made the orders summarized below and advised that it would issue written reasons in due course:

- A permanent prohibition from engaging in any securities-related business, the details of which will be specified in the written reasons to be filed at a later date;
- A fine in the amount of \$3,400,000 respecting Allegations # 1 and # 2;
- A fine in the amount of \$50,000 respecting Allegation # 3;
- A fine in the amount of \$50,000 respecting Allegation # 4; and
- Costs in the amount of \$7,500.

A copy of the Notice of Hearing is available on the MFDA web site at [www.mfda.ca](http://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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