



NEWS RELEASE

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MFDA issues Notice of Hearing regarding Lip Fee Chan

July 24, 2006 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against Lip Fee Chan, also known as Phillip Chan.

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

Allegation #1: Between June 2000 and October 2002, Mr. Chan engaged in securities related business outside of the accounts and facilities of his Member, by facilitating the participation of a client in various investments, contrary to MFDA Rule 1.1.1.

Allegation #2: In the alternative to Allegation #1, between June 2000 and October 2002, Mr. Chan engaged in gainful occupation outside the business of his Member without so advising his Member and obtaining approval of his Member, contrary to MFDA Rule 1.2.1(d).

Allegation #3: Commencing May 2001, Mr. Chan failed to invest monies that he received for investment purposes from the same client totaling \$98,000, and in so doing, placed his personal interests above those of his client contrary to MFDA Rule 2.1.4, and failed to deal fairly, honestly and in good faith with his client contrary to MFDA Rule 2.1.1(a).

Allegation #4: In September 2005, Mr. Chan offered to settle with the client without the written consent of the Member and on terms that the settlement between the Respondent and the client would be confidential, contrary to MFDA Policy No. 3 (Handling Client Complaints).

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Ontario Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Tuesday, September 26, 2006 at 10:00 a.m. (Eastern) 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 address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance 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 175 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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