



## NEWS RELEASE

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### **MFDA Hearing Panel issues Decision and Reasons respecting Lip Fee Chan ( also known as Phillip Chan) Disciplinary Hearing**

**March 2, 2007** (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) has issued its Decision and Reasons in connection with the disciplinary hearing held in Toronto, Ontario on January 17, 2007 in respect of Lip Fee Chan.

The Hearing Panel found that the following allegations set out by MFDA staff in the Notice of Hearing dated July 19, 2006, summarized below, had been established:

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).

The following is a summary of the Orders made by the Hearing Panel:

- A permanent prohibition on Mr. Chan from engaging in any securities-related business in any capacity while in the employ of or sponsored by any MFDA Member,
- Fine in the aggregate amount of \$150,000, and
- Costs in the amount of \$7,500.

A copy of the Decision and Reasons is available on the MFDA website 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 163 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

-30-

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