



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

NEWS RELEASE

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MFDA issues Notice of Hearing regarding Ronald Lindsay Brown and Dylan Brown

May 16, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against Ronald Lindsay Brown and Dylan Brown.

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

Allegation #1: Between May 2, 2002 and May 19, 2006, the Respondent Ronald Lindsay Brown (“Ronald Brown”) engaged in securities related business that was not carried on for the account of the Member or through the facilities of the Member by selling units of the Atrium Limited Partnership, the Villabar Properties (2003) Limited Partnership, the Lighthouse Pointe Limited Partnership and the Villabar Properties (2005) Limited Partnership, to clients and other individuals, contrary to MFDA Rule 1.1.1.

Allegation #2: Between May 2, 2002 and May 19, 2006, the Respondent Ronald Brown sold units of the Villabar Properties (2005) Limited Partnership to a client in reliance on the accredited investor exemption contained in OSC Rule 45-501 and subsequently NI 45-106, when he knew or ought to have known that the client did not qualify for the exemption, contrary to MFDA Rule 2.1.1.

Allegation #3: Between May 2, 2002 and May 19, 2006, the Respondent Ronald Brown denied selling limited partnerships and receiving commissions from the sales of limited partnerships in response to Member inquiries, thereby misleading the Member and frustrating its efforts to ensure compliance with the MFDA By-laws, Rules, Policies and applicable securities legislation, contrary to MFDA Rules 1.1.2 and MFDA 2.1.1.

Allegation #4: Between May 2, 2002 and June 30, 2002, the Respondent Dylan Brown, as co-branch manager, knew or ought to have known that the Respondent Ronald Brown was engaging in securities related business that was not carried on for the account of the

Member or through the facilities of the Member and failed to take appropriate supervisory action, contrary to MFDA Rule 2.5.3 and MFDA Policy No. 2.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Wednesday, July 23, 2008 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 website 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 158 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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Doc #140437