



NEWS RELEASE

For immediate release

For further information, please contact:

Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfd.ca

MFDA issues Notice of Hearing regarding Gerard and Mavis Brake

March 20, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against Gerard and Mavis Brake.

MFDA staff alleges in its Notice of Hearing that Gerard and Mavis Brake engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

Allegation #1: Between November 2003 and August 2006, the Respondents had or continued in occupations that were not disclosed to or approved by the Member, contrary to MFDA Rule 1.2.1(d).

Allegation #2: Between November 2003 and August 2006, the Respondents engaged in securities related business outside the Member by selling more than \$1 million in shares of corporations that they owned and operated to 24 clients, which sales were not carried on for the account of the Member or through the facilities of the Member, contrary to MFDA Rule 1.1.1(a);

Allegation #3: Between November 2003 and August 2006, the Respondents sold more than \$1 million in shares of corporations that the Respondents owned and operated to 24 clients, thereby giving rise to a conflict of interest which the Respondents failed to disclose to the clients and to the Member and which the Respondents failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4¹ and 2.1.1.

Allegation #4: Between November 2003 and August 2006, the Respondents solicited and accepted more than \$1 million from 24 clients to be invested on their behalf in corporations that the Respondents owned and operated and have failed to return or otherwise account for the monies, contrary to MFDA Rule 2.1.1.

Allegation #5: Between November 2003 and August 2006, the Respondent Mavis E. Brake failed to fulfill her obligations as a Branch Manager by intentionally concealing from the Member conduct and outside business activities that the Respondents were engaging in that contravened the Member's policies and procedures and MFDA regulatory requirements, contrary to MFDA Rule 2.5.3(b) and 2.1.1.

Allegation #6: Commencing May 30, 2006, the Respondents have refused to produce for inspection and provide copies of documents and records requested by the MFDA during the course of an investigation, contrary to section 22.1(b) of MFDA By-law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Prairie Regional on Wednesday, April 23, 2008 at 10:00 a.m. (Manitoba) 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 who want to listen to the teleconference for the first appearance should contact Yvette MacDougall, MFDA Hearings Coordinator, at 416-943-4606 or by e-mail at ymacdougall@mfda.ca on or before Monday, April 21, 2008 to obtain particulars. The Hearing on the Merits will take place at a location in Winnipeg, Manitoba at a time, place and venue to be announced at a later date.

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.