



## NEWS RELEASE

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### **MFDA concludes proceeding against Barry L. Adams**

**October 22, 2009** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding in respect of Barry L. Adams by Notice of Hearing dated April 6, 2009. MFDA staff alleged in its Notice of Hearing that Mr. Adams engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

**Allegation #1:** Between February 16, 2007 and April 30, 2007, the Respondent engaged in securities related business that was not carried on for the account of the Member or through the facilities of the Member by recommending and facilitating investments in a real estate investment product, contrary to MFDA Rules 1.1.1 and 2.1.1.

**Allegation #2:** Between February 16, 2007 and April 30, 2007, the Respondent engaged in outside business activity that was not disclosed to and approved by the Member by recommending and facilitating the purchase of a real estate investment product, contrary to MFDA Rules 1.2.1(d) and 2.1.1.

On July 27, 2009, in a separate proceeding, a panel of the New Brunswick Securities Commission (“NBSC”) issued Reasons for Decision regarding its approval of a Settlement Agreement between Mr. Adams and NBSC staff arising from the same transactions in the real estate investment product that are the subject of the MFDA Notice of Hearing against Mr. Adams.

In the Settlement Agreement with NBSC staff, Mr. Adams agreed that he had violated section 45 of the New Brunswick *Securities Act* (the “Act”) by referring non-accredited investors to the issuer of the real estate investment product and receiving a commission for the referral of such investors. Mr. Adams also agreed in the Settlement Agreement that he had violated section 179(2) of the Act by making misleading statements to NBSC staff. The NBSC panel ordered that:

Pursuant to section 184(1)(c) of the Act, Mr. Adams shall be barred from trading in any securities, other than those beneficially owned directly by him, for a period of 10 (ten) years;

Pursuant to section 184(1)(d) of the Act, any exemptions contained in New Brunswick securities law shall not apply to Mr. Adams for a period of 10 (ten) years;

Pursuant to section 186(1) of the Act, Mr. Adams shall pay an administrative penalty in the amount of twenty thousand dollars (\$20,000.00).<sup>1</sup>

MFDA staff has reviewed the Reasons for Decision and the penalties imposed by the NBSC against Mr. Adams. MFDA staff is of the view that the order and penalties imposed by the NBSC will protect the public and serve as a specific and general deterrent against such conduct in future. Accordingly, MFDA staff has withdrawn its Notice of Hearing dated April 6, 2009 against Mr. Adams, and the MFDA proceeding against Mr. Adams is concluded.

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<sup>1</sup> Copies of documents relating to the NBSC proceeding can be accessed at [http://www.nbsc-cvmnb.ca/nbsc/enforcement\\_proceedings.jsp#123](http://www.nbsc-cvmnb.ca/nbsc/enforcement_proceedings.jsp#123)