



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

NEWS RELEASE

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MFDA Hearing Panel issues Decision and Reasons with respect to Donald Cunningham Settlement Hearing

February 25, 2010 (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 Settlement Hearing held in Toronto, Ontario on December 1, 2009 in the matter of Donald James Cunningham.

The Hearing Panel approved the Settlement Agreement between Mr. Cunningham and MFDA Staff, as a consequence of which Mr. Cunningham:

- has paid a fine in the amount of \$10,000;
- has paid costs in the amount of \$2,500;
- has been permanently prohibited from being registered or acting in any supervisory capacity for a Member of the MFDA;
- has been permanently prohibited from being registered or acting as a partner, director or senior officer of a Member of the MFDA; and
- shall not hold himself out to members of the public as the “Managing Director” of the London, Ontario branch of Desjardins Financial Security Investments Inc. in respect of mutual fund business.

In the Settlement Agreement, Mr. Cunningham admitted that between June 2003 and September 2005, he failed to fulfill his supervisory responsibilities as branch manager of the London, Ontario branch of Desjardins, contrary to MFDA Rules 2.5, 2.5.3 and 2.5.5 and MFDA Policy No. 2.

Mr. Cunningham also admitted that between September 2003 and November 2004, he failed to employ adequate supervision to prevent Anthony McPhail, an unregistered individual, from engaging in securities related business with clients of Desjardins, contrary to MFDA Rules 2.5 and 2.1.1(c).

Mr. Cunningham further admitted that between January 2004 and November 2004, he failed to conduct reasonable supervisory investigations in response to information that Mr. McPhail, an unregistered individual, was engaging in securities related business with clients of Desjardins

and to take such supervisory and disciplinary measures as might be warranted by the results of such investigations, contrary to MFDA Rules 1.1.1(c), 2.5 and 2.1.1(c).

Copies of the [Settlement Agreement](#) and the [Decision and Reasons](#) are available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 144 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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