



## NEWS RELEASE

*For immediate release*

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### **MFDA Hearing Panel approves Settlement Agreement with FundEX Investments Inc.**

**January 27, 2012** (Toronto, Ontario) – A Settlement Hearing in the matter of FundEX Investments Inc. (the “Respondent”) was held today in Toronto, Ontario before a Hearing Panel of the MFDA’s Central Regional Council.

The Hearing Panel approved the Settlement Agreement between the Respondent and MFDA Staff, as a consequence of which the Respondent has paid a \$100,000 fine and costs of \$15,000 and shall implement (i) revised policies and procedures and (ii) a Leverage Review Action Plan, both of which are referred to in the Settlement Agreement.

In the Settlement Agreement, the Respondent admitted that:

- a) prior to July 2009, it failed to adequately establish, implement and maintain policies and procedures for the supervision of trades, contrary to MFDA Rules 2.2.1, 2.5, 2.9, and 2.10, and MFDA Policy No. 2;
- b) prior to July 2009, it failed to adequately establish, implement and maintain policies and procedures for the supervision of leveraging, contrary to MFDA Rules 2.2.1, 2.5, 2.6 and 2.10, and MFDA Policy No. 2;
- c) between March 2005 and August 2006, it failed to ensure that adequate controls and supervision were in place to prevent former Approved Persons, Gerard and Mavis Brake, from engaging in securities related business with clients, contrary to MFDA Rules 1.1.1, 2.5.1 and 2.5.3;
- d) between November 2005 and April 2007, it failed to ensure that adequate controls and supervision were in place to prevent former Approved Persons DW and GS from engaging in securities related business with clients and other individuals, contrary to MFDA Rules 1.1.1, 2.5.1 and 2.5.3;
- e) between about 2006 and 2009, it failed to ensure that adequate controls and supervision were in place to prevent former Approved Person, SD, from engaging in securities related

business and personal financial dealings with clients and other individuals, contrary to MFDA Rules 1.1.1, 2.1.4, 2.5.1 and 2.5.3; and;

- f) between about 2006 and 2009, it failed to conduct a reasonable supervisory investigation and take appropriate supervisory action with respect to the activities of former Approved Person, SD, contrary to MFDA Rules 2.5.1 and 2.1.1(c).

The Hearing Panel advised that it will issue written reasons for its decision in due course. A copy of the [Settlement Agreement](#) is available on the MFDA website at [www.mfda.ca](http://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 125 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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