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

NEWS RELEASE

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MFDA Hearing Panel approves Settlement Agreement with Investia Financial Services Inc.

January 27, 2012 (Toronto, Ontario) – A Settlement Hearing in the matter of Investia Financial Services 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) during the period August 2007 and April 2009, it failed to establish, implement and maintain policies and procedures to detect instances of excessive trading, contrary to MFDA Rules 2.2.1, 2.5, 2.9 and 2.10, and MFDA Policy No. 2;

b) during the period January 2009 and April 2009, it failed to ensure that its supervisory staff adhered to its policies and procedures with respect to the supervision of trading activity at the branch level, contrary to MFDA Rules 2.2.1, 2.5, 2.9 and 2.10, and MFDA Policy No. 2;

c) during the period January 2009 and April 2009, it failed to ensure that its supervisory staff adhered to its policies and procedures with respect to the supervision of new accounts, contrary to MFDA Rules 2.2.1, 2.2.2, 2.2.3, 2.5, 2.9 and 2.10, and MFDA Policy No. 2;

d) during the period January 2009 and April 2009, it failed to establish and maintain adequate internal controls, and books and records, pertaining to leveraged accounts, contrary to MFDA Rules 2.9, 5.1 and 2.2.1;

e) during the period August 2003 and June 2007, it failed to employ adequate supervision to prevent Approved Persons DB, KN and MH from maintaining referral arrangements with a third party, contrary to MFDA Rules 2.4.2, 2.5 and 2.9;

f) during the period January 2010 and July 2010, it failed to adequately supervise the outside business activities of an Approved Person, ML, contrary to MFDA Rules 1.2.1(d) (now MFDA Rule 1.2.1(c)), 2.4.2, 2.5 and 2.9; and

g) during the period September 2009 and May 2010, it failed to adequately supervise the outside business activities of an Approved Person, CT, contrary to MFDA Rules 1.2.1(d) (now MFDA Rule 1.2.1(c)), 2.4.2, 2.5 and 2.9.

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.

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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