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MFDA Bulletin

Membership Information

For Distribution to Relevant Parties within your Firm

Rule 1.2.6 (Notification of Termination of Approved Persons)

The MFDA Board of Directors approved proposed MFDA Rule 1.2.6 (Notification of Termination of Approved Persons) on June 13, 2003. As part of the approval process, the proposed Rule was published by the recognizing securities commissions for a 30-day comment period in the Ontario Securities Commission Bulletin. MFDA Rule 1.2.6 has received the requisite approval of MFDA Members and the recognizing securities commissions and is now in effect.

Rule 1.2.6 requires Members to notify the MFDA within five business days of the termination of an employment or agency relationship with an Approved Person where the Notice of Termination filed with the applicable securities commission discloses that the Approved Person was dismissed for cause or discloses information regarding unresolved client complaints, internal discipline matters or restrictions for violation of regulatory requirements.

A copy of Rule 1.2.6 has been attached for reference and an amended version of the MFDA Rulebook containing Rule 1.2.6 can be found on the MFDA website. An updated version of the MFDA Rulebook on CD-ROM will be distributed to Members in the near future.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

NOTIFICATION OF TERMINATION OF APPROVED PERSONS (RULE 1.2.6)

1. New Rule 1.2.6 is added as follows:

“1.2.6 **Notification of Termination of Approved Persons.** Every Member must notify the Corporation within five business days of the termination of an employment or agency relationship with an Approved Person where the Notice of Termination filed with the applicable securities commission discloses that the Approved Person was dismissed for cause or discloses information regarding unresolved client complaints, internal discipline matters or restrictions for violation of regulatory requirements. The Member must comply with this requirement by filing a copy of the Notice of Termination prescribed by the applicable securities commission with the MFDA.”

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