



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

**IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**Re: Manulife Securities Investment Services Inc.
(Formerly known as Manulife Securities International Ltd.)**

ORDER

WHEREAS on Friday, December 12, 2008, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Settlement Hearing pursuant to section 24.4 of MFDA By-law No. 1 in respect of Manulife Securities International Ltd. (the “Respondent”);

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated Thursday, December 11, 2008 (the “Settlement Agreement”), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to ss. 20 and 24.1 of MFDA By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that between July 2003 and February 2, 2005, the Respondent had a referral arrangement with Paradigm Asset Management Inc., which subsequently changed its name to Portus Alternative Asset Management Inc., but failed to disclose to clients the syndication fees that comprised part of its compensation from the referral arrangement, contrary to MFDA Rules 2.4.2(b)(iv) and 2.1.1(c);

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

1. The Respondent shall pay a fine in the amount of \$200,000, pursuant to s. 24.1.2(b) of MFDA By-law No. 1; and
2. The Respondent shall pay the costs of the MFDA's investigation and of this hearing in the amount of \$50,000, pursuant to s. 24.2 of MFDA By-law No. 1.

DATED at Toronto this Monday, the 22nd day of December, 2008.

Per: "Edward Saunders"
The Honourable Edward Saunders, Q.C., Chair

Per: "Guenther Kleberg"
Guenther Kleberg, Industry Representative

Per: "Sandy Grant"
Sandy Grant, Industry Representative