



NEWS RELEASE

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For further information, please contact:

Shaun Devlin
Vice-President, Enforcement
416-943-4672 or sdevlin@mfd.ca

MFDA issues Notice of Hearing regarding Michael B. Johns

April 21, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against Michael Brandon Johns (the “Respondent”).

MFDA staff alleges in its Notice of Hearing that Mr. Johns engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

Allegation #1: Between October 2003 and January 2006, the Respondent engaged in securities related business, which was not carried on for the account of the Member or conducted through the facilities of the Member, by recommending, selling or facilitating the sale of Lighthouse Pointe Limited Partnership units (“Lighthouse LPs”) and Ashton Oaks Limited Partnership units (“Ashton LPs”) to clients, contrary to MFDA Rule 1.1.1.

Allegation #2: Between October 2003 and January 2006, the Respondent engaged in another occupation, which was not properly disclosed to and approved by the Member and not properly disclosed to clients, by recommending, selling or facilitating the sale of Lighthouse LPs and Ashton LPs, contrary to MFDA Rule 1.2.1(d).

Allegation #3: Between October 2003 and January 2006, the Respondent recommended, sold or facilitated the sale of Lighthouse LPs and Ashton LPs to clients without ensuring that:

- (a) the investments were suitable for the clients, and in keeping with their investment objectives, contrary to MFDA Rules 2.2.1 and 2.1.1; and
- (b) the clients qualified as accredited investors in accordance with Ontario Securities Commission Rule 45-501 and subsequently National Instrument 45-106, contrary to MFDA Rule 2.1.1, thereby engaging the jurisdiction of the Hearing Panel to impose a penalty on the Respondent pursuant to s. 24.1.1(h) of MFDA By-law No. 1.

Allegation #4: Between October 2003 and January 2006, the Respondent failed to comply with the Member's policies and procedures with respect to the disclosure and approval of outside business activities, contrary to MFDA Rule 2.1.1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on June 16, 2009 at 10:00 a.m. (Eastern) or as soon thereafter as the appearance can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters. The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the [Notice of Hearing](#) 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 150 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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