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MFDA Hearing Panel accepts Settlement Agreement with Mary Lambros

March 10, 2011 (Toronto, Ontario) – A Settlement Hearing in the matter of Mary Lorelei Lambros (the “Respondent”) was held on March 7, 2011 in Toronto, Ontario before a Hearing Panel of the MFDA’s Central Regional Council. The Hearing Panel accepted the Settlement Agreement between MFDA Staff and the Respondent, as a consequence of which the Respondent:

- has paid a \$40,000 fine;
- has been suspended for 3 months from acting as a mutual fund salesperson;
- has paid costs of \$5,000; and
- shall in the future comply with all MFDA By-laws, Rules and Policies, and all applicable securities legislation and regulations;

In the Settlement Agreement, the Respondent admitted that, contrary to MFDA Rules:

1. From June 28, 2005 to December 20, 2007, she was a joint owner with right of survivorship of client NM’s account, thereby giving rise to an actual or potential conflict of interest between the Respondent and client NM which the Respondent failed to address by the exercise of responsible business judgment influenced only by the best interests of client NM;
2. From October 19, 2006 to December 20, 2007, while a joint owner of client NM’s account, she carried out trades in client NM’s account on at least four occasions in respect of which she alone authorized the trades and determined the securities traded;
3. By failing to renounce her appointment in the will of client NM as an executrix of NM’s estate in the event that KB was unwilling or unable to perform her duties, her actions gave rise to an actual or potential conflict of interest between herself and client NM (and later the estate of client NM) which she failed to address by the exercise of responsible business judgment influenced only by the best interests of client NM (and later the estate of client NM);
4. By accepting her appointment as trustee of the trust established for DM, the son of client NM, she engaged in personal financial dealings with client NM, thereby giving rise to an

actual or potential conflict of interest between herself and client NM (and later the estate of client NM) which she failed to address by the exercise of responsible business judgment influenced only by the best interests of client NM (and later the estate of client NM);

5. By transferring all of the monies in client NM's account to her personal bank account following the death of client NM she engaged in conduct unbecoming an Approved Person;
6. Between February 2006 and December 2007, she engaged in personal financial dealings:
 - a. with clients EW and TW by participating in the purchase of the Crossing Rocks Property, incorporating Crossing Corp. with clients EW and TW, and participating in the Crossing Rocks Property development project; and
 - b. with clients DM, KM, TN, DN, EB, TG, MG, WD and SD by facilitating and obtaining their investments in Abaco, a corporation for which she was a shareholder, director and officer;

thereby giving rise to an actual or potential conflict of interest with each client which she failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients;

7. Between February 2006 and December 2007, she engaged in outside business activities which she failed to disclose to the Member or on the National Registration Database ("NRD"), as required, by participating in the purchase and development project of a Bahamian property, and in the process incorporating, and being a shareholder, director and officer of, a Bahamian corporation known as Crossing Corp. as well as an Ontario corporation known as Abaco;
8. Between October 31, 2006 and December 2007, she engaged in securities related business that was not carried out for the account and through the facilities of the Member by selling investments in Abaco to clients and other individuals; and
9. Between June 2006 and December 2007, she failed to disclose to the Member her participation in a Bahamian property development project, including her shareholdings and directorships in Crossing Corp. and Abaco, thereby acting contrary to the Member's policies and procedures and interfering with the ability of the Member to supervise her conduct and comply with its obligations.

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 136 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.