



NEWS RELEASE

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MFDA Hearing Panel Rejects Settlement Agreement with Berkshire Investment Group Inc. in relation to Ian Gregory Thow

October 22, 2007 (Vancouver, British Columbia) – A Settlement Hearing in the matter of Berkshire Investment Group Inc. was held today before a Hearing Panel of the Pacific Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”).

The hearing was convened to consider whether to approve a Settlement Agreement between the MFDA and Berkshire concerning allegations that Berkshire failed to conduct reasonable supervisory investigations of the activities of former Approved Person, Ian Gregory Thow and to take such reasonable supervisory and disciplinary measures as would be warranted by the results of its investigations, contrary to MFDA Rules 2.5.1, 2.1.1(c) and the public interest.

The Hearing Panel declined to approve the Settlement Agreement and made no Order in the matter. The Settlement Agreement hearing is concluded and the decision of the Hearing Panel is not subject to appeal. The MFDA and Berkshire may attempt to reach a different settlement or the MFDA may issue a Notice of Hearing under sections 20 and 24 of MFDA By-law No. 1 in respect of the events that were the subject of the Settlement Hearing.

The British Columbia Securities Commission conducted enforcement proceedings against Thow, and recently found him that he had failed to deal fairly, honestly and in good faith with clients, made misrepresentations and perpetrated a fraud. The Commission described Thow’s activities as “one of the most callous and audacious frauds this province has seen”. The Commission’s decision is available on its website, www.bcsc.bc.ca.

Thow is also the subject of a criminal investigation by the Vancouver Integrated Market Enforcement Team of the Royal Canadian Mounted Police.

MFDA disciplinary panels have the power to terminate or suspend membership, levy fines and impose terms and conditions on membership. MFDA disciplinary panels, like many securities regulatory organizations, do not have the power to award compensation. Clients who are not satisfied with Berkshire’s response to their complaint have two options. They can:

- Bring their complaint to the Ombudsman for Banking Services and Investments for review. OBSI is a free, independent service for resolving investment disputes. OBSI can recommend compensation of up to \$350,000.
- Commence a civil action before the courts to pursue financial recovery in any amount.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 162 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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