



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: Colin Michael Corner, Heather Darlene Halladay, Richard Gerald
Moore, James Edward Rainbird and John Joseph Hanson**

NOTICE OF SETTLEMENT HEARING

NOTICE is hereby given that a hearing will be held before a hearing panel of the Central Regional Council (the “Hearing Panel”) of the Mutual Fund Dealers Association of Canada (the “MFDA”) in the hearing room located at 121 King Street West, Suite 1000, Toronto, Ontario on Tuesday, July 6, 2010 at 10:00 a.m. (Eastern), or as soon thereafter as the hearing can be held, to consider whether, pursuant to section 24.4 of By-law No. 1 of the MFDA, the Hearing Panel should accept (i) the settlement agreement entered into between Staff of the MFDA (“Staff”) and Colin Michael Corner, Heather Darlene Halladay, Richard Gerald Moore and James Edward Rainbird; and (ii) the settlement agreement entered into between Staff and John Joseph Hanson (collectively the “Settlement Agreements”). (Colin Michael Corner, Heather Darlene Halladay, Richard Gerald Moore, James Edward Rainbird and John Joseph Hanson will be referred to collectively as the “Respondents”).

The subject matter of the proposed Settlement Agreements concerns matters for which the Respondents may be disciplined as Approved Persons of the MFDA, pursuant to ss. 20 and 24.1.1 of By-law No. 1 of the MFDA.

PARTICULARS

1. The Settlement Agreements concern allegations that between June 2003 and April 2007, the Respondents:

(a) in their capacity as mutual fund salespersons, using training and information provided by the Respondents' Member and as a result of deficiencies in that training and information, sold exempt market securities to clients who did not qualify as accredited investors and whose risk tolerance was less than high, contrary to MFDA Rule 2.1.1(c); and

(b) in their supervisory capacity as branch managers, by complying with a directive from their Member and in so complying, failed to discern that the Member's Compliance department and its senior management were rendering themselves incapable of conducting second-tier reviews necessary for the Member to properly supervise client accounts, contrary to MFDA Rule 2.5.3(b)(i).

2. The Settlement Agreements concern allegations for which the Respondents' Member, Farm Mutual Financial Services Inc., was previously disciplined. See: Reasons for Decision, dated April 24, 2009, *In the Matter of Farm Mutual Financial Services Inc.*, File No. 200812, available on the MFDA's website at www.mfda.ca. The allegations against the Respondents occurred in the context of those Farm Mutual Financial Services Inc. deficiencies and, in large part, as a result of those deficiencies.

3. The hearing will be open to the public, unless and to the extent that the Hearing Panel determines that all or part of the hearing should proceed in the absence of the public. If the Hearing Panel accepts the Settlement Agreements, then copies of the decision of the Hearing Panel and the Settlement Agreements will be made available to the public.

DATED this 30th day of June, 2010.

“Jason D. Bennett”

Jason D. Bennett
Corporate Secretary

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