



NEWS RELEASE

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IDA imposes Compliance Monitor on Union Securities Ltd.

July 26, 2005 (Vancouver, BC) – The Investment Dealers Association of Canada (IDA) announced today that on July 25, 2005, a Hearing Panel holding an expedited hearing pursuant to By-Law 20 approved the installation of a Compliance Monitor on Union Securities Ltd.

Following submissions from Association staff at an ex parte hearing, the Panel issued an Order requiring Union Securities Ltd. to install an IDA-approved Compliance Monitor to conduct day-to-day monitoring of all of Union Securities Ltd.'s procedures and compliance systems; conduct a complete evaluation of Union Securities Ltd.'s compliance systems and corporate governance structure; make recommendations to Union Securities Ltd.'s Board of Directors regarding action that is required for Union Securities Ltd.'s compliance systems to comply with the Association's By-laws, Regulations, Rules and Policies; and provide regular reporting of its findings, observations and recommendations to Association staff.

The Hearing Panel appointed Grant Thornton LLP as Compliance Monitor. The Order comes into effect on July 26, 2005 at 1:00 p.m. Pacific Time.

The Association's most recent Sales Compliance review had identified significant repeated regulatory deficiencies. Although senior firm management had committed to addressing these deficiencies, Association staff discovered insufficient evidence of this commitment when they began a new audit. Association staff determined that these factors together demonstrated a pattern of non-compliance.

The Monitor will assist the firm to help change its compliance culture and to raise its sales compliance standards to the level which the Association requires.

"We felt we needed to act decisively and proactively to ensure that Union Securities Ltd. made the necessary changes to their compliance operations" said IDA Vice-President, Western Canada, Member Regulation Warren Funt. "We will monitor the situation closely to ensure improvements are made and that the firm fully meets IDA compliance standards."

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The IDA's mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms and its approved persons. Investigating complaints and disciplining Members and approved persons is part of the IDA's regulatory role.