



NEWS RELEASE

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For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

IDA fines MGI Securities Inc. \$250,000, Crawford Gordon never to supervise again and fined \$150,000

May 25, 2006 (Toronto, Ontario) – A Hearing Panel of the Investment Dealers Association of Canada (IDA), appointed pursuant to By-law 20, has imposed discipline penalties on MGI Securities Inc. (MGI), an IDA Member firm and Crawford Gordon, at all material times MGI's President, CEO and Ultimate Designated Person.

Following a settlement hearing held on May 10, 2006 the Hearing Panel considered, reviewed and accepted a Settlement Agreement negotiated between staff of the IDA's Enforcement Department, MGI and Mr. Gordon. Both MGI and Mr. Gordon admitted that, commencing in April 2000, they violated Regulation 1300.2 by failing to establish and maintain procedures and controls to effectively supervise trading by clients who were insiders of public issuers or were in control positions of public issuers.

MGI is fined \$250,000, Mr. Gordon \$150,000 and they must also pay \$45,000 in costs. In addition, although Mr. Gordon continued in his capacity as President of MGI, he has undertaken to never again apply for approval for any position with supervisory compliance responsibilities.

The Hearing Panel was satisfied that no illegal insider trading resulted from the Respondents' failure to comply with Regulation 1300.2. Therefore, there was no harm to clients or the integrity of the capital markets. However, the Hearing Panel noted that the sanctions and costs proposed in the Settlement Agreement were significant and reflected their concerns about the risk of harm that may be caused by insider trading.

For a complete summary of facts, please see IDA Bulletin 3545 at www.ida.ca or www.accovam.ca.

The Investment Dealers Association of Canada (IDA) is the national self-regulatory organization of the securities industry. The IDA's mission is to protect investors, foster market integrity 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 their approved persons. Investigating complaints and disciplining Members and approved persons is part of the IDA's regulatory role.