

THE SECURITIES ACT) Order No. 5771
)
SECTION 31.1) September 12, 2008

THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

VARIATION ORDER

WHEREAS:

The Manitoba Securities Commission (the "Commission") recognized the Mutual Fund Dealers Association of Canada (MFDA) as a self-regulatory organization for mutual fund dealers pursuant to subsection 31.1 of *The Securities Act* R.S.M. 1988, c.S50 (Act) (as amended) on May 31, 2007.

IT IS ORDERED:

THAT considering that it is not prejudicial to the public interest, the Commission orders under subsection 31.5(3) of the Act that the Recognition Order be varied by deleting section 14 of Schedule A and substituting the following:

14. SUSPENSION OF MFDA RULE 2.4.1

MFDA Rule 2.4.1 is suspended and will continue to be suspended in Manitoba until such time as a decision or legislative amendments have been made with respect to the payment of commissions to non-registered entities, and during such period the MFDA shall comply with the following conditions:

(A) the MFDA shall co-operate with the Commission and its staff, including participating on any joint industry and regulatory committee struck by the Commission and its staff, in their efforts to develop amendments to applicable securities legislation that would, among other things, allow an Approved Person to carry on securities related business (within the meaning of the MFDA rules) through a corporation, while preserving that Approved Person's and the member's liability to clients for the Approved Person's actions;

(B) the MFDA shall, as a condition of a member or Approved Person being entitled to rely on the suspension of Rule 2.4.1, require that the member and its Approved Persons agree, and cause any recipient of commissions on behalf of Approved Persons that is itself not registered as a dealer or a salesperson to agree, to provide to the MFDA, the Commission and the applicable member access to its books and records for the purpose of determining compliance with the rules of the MFDA and applicable securities legislation;

(C) the MFDA shall ensure in connection with the suspension of Rule 2.4.1 that members and Approved Persons comply with the remaining Rules, with specific

reference to Rule 1 Business Structures and Qualifications, Rule 1.2.1(d) Dual Occupations and the rule noted above in paragraph (B);

(D) the MFDA shall ensure that members applying for membership are made aware of the requirements of Rule 1 by delivering to each applicant a copy of its Notice MR-0002; and

(E) the MFDA shall not accept a member whose relationship with its Approved Persons does not comply with the rules of the MFDA and in particular, Rule 1, unless the MFDA has granted exemptive relief to that applicant under the authority granted to the Board of Directors under section 38 of By-law No. 1.

BY ORDER OF THE COMMISSION

Director