

**ALBERTA SECURITIES COMMISSION
NOTICE**

**AMENDED AND RESTATED RECOGNITION ORDER OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA
NOTICE OF APPROVAL**

May 21, 2004

On May 18, 2004, the Alberta Securities Commission (ASC) issued an order amending and restating the order recognizing the Mutual Fund Dealers Association of Canada (MFDA) as a self-regulatory organization. The objectives of the amendment and restatement are as follows:

1. To reflect the changes in the MFDA's governance structure;
2. To clarify the MFDA's ability to enter into arrangements with another party to perform certain regulatory functions; and
3. To make housekeeping amendments to streamline the current recognition order.

Ontario, British Columbia, Nova Scotia and Saskatchewan have also amended and restated their recognition orders of the MFDA as a self-regulatory organization. A copy of the Alberta amended and restated recognition order is available on the ASC website.

On December 12, 2003, the MFDA's application to amend and restate its recognition order and related documents was published on the ASC website. Two commenters responded to the request for comments. The MFDA's summary of the comments and response is attached as Appendix A to this notice.

Appendix A

Summary of Public Comments Respecting MFDA Application for Amendment and Restatement of its Recognition Order

On December 12, 2003, the Alberta Securities Commission (ASC) published for public comment the MFDA's application to amend and restate its recognition order. The MFDA application was published on the ASC website.

The public comment period expired on January 12, 2004.

Two submissions were received during the public comment period:

1. The Investment Funds Institute of Canada ("IFIC")
2. The Federation of Independent Mutual Fund Dealers (the "Federation")

Both IFIC and the Federation expressed support for the proposed housekeeping amendment in section 14 of the terms and conditions of MFDA recognition which would extend the transition period for MFDA Rule 2.4.1 to December 31, 2006 in the provinces of British Columbia, Ontario and Saskatchewan. IFIC noted that the proposed three-year suspension of MFDA Rule 2.4.1 is a matter of particular significance to its members since the Rule, if it comes into force, would effectively prohibit individual mutual fund salespersons from receiving the benefits of incorporation. The Federation submitted that if Rule 2.4.1 were not suspended, the impact would be extremely disruptive to the industry and especially prejudicial to the business of financial planners primarily due to adverse tax consequences.