

**ALBERTA SECURITIES COMMISSION
NOTICE**

**Application for Approval of
Mutual Fund Dealers Association Investor Protection Corporation**

May 20, 2005

Approval of Mutual Fund Dealers Association Investor Protection Corporation

On May 17, 2005 the Executive Director of Alberta Securities Commission (the Commission) approved the Mutual Fund Dealers Association Investor Protection Corporation (the MFDA IPC) under subsection 28(1)(b)(i) of the Commission Rules (General). The MFDA IPC will provide protection to eligible customers of MFDA members on a discretionary basis to prescribed limits if securities, cash or other property held by an MFDA member are unavailable as a result of the member's insolvency. The MFDA IPC intends to commence coverage of customer accounts on July 1, 2005.

British Columbia, Nova Scotia, Ontario and Saskatchewan have also approved the MFDA IPC as a compensation fund in their respective jurisdictions. A copy of the approval order of the MFDA may be found on the Commission's website at www.albertasecurities.com under self-regulatory organizations under the heading Mutual Fund Dealers Association.

Background

By order dated April 10, 2001, the Commission recognized the Mutual Fund Dealers Association of Canada (the MFDA) as a self-regulatory organization for mutual fund dealers, pursuant to section 64(1) (formerly, section 53.1) of the *Securities Act* (Alberta), subject to certain terms and conditions (the Recognition Order). The Recognition Order contemplated that a compensation fund would be established for customers of members of the MFDA.

On November 14, 2002, the MFDA and the MFDA IPC submitted an application (the Initial Application) to the Commission seeking approval of the MFDA IPC as a compensation fund for customers of members of the MFDA. The Initial Application was published for public comment on December 2, 2002.

The MFDA and MFDA IPC submitted a revised application for approval of the MFDA IPC on November 15, 2004 (the Revised Application). The Commission published the Revised Application for comment on February 25, 2005 for a period of 30 days. The comment period expired on March 28, 2005. Fourteen commenters responded to the request for comments. The MFDA IPC's summary of comments and responses may be found on the website of the Ontario Securities Commission (www.osc.gov.on.ca) under self-regulatory organizations under the heading Mutual Fund Dealers Association.