

SECTION 14 ADVERTISING AND SALES COMMUNICATIONS

1. Trade Names

As per MFDA Rule 1.1.7 all business carried on by a person on behalf of Altimum Mutuals Inc. shall be in the name of Altimum Mutuals Inc. or a business or trade or style name owned by Altimum Mutuals Inc. However, amendments to Rule 1.1.7 dated November 22, 2004 permit an Approved Person's trade name to be used in conjunction with that of Altimum Mutuals Inc. The amendments to Rule 1.1.7 require that whenever an Approved Person's trade name is used in a communication to clients or the public, the legal name of Altimum Mutuals Inc. must also appear. It also states that no Approved Person shall conduct any business in accordance with a business or trade name or style name that is not that of, or owned by, Altimum Mutuals Inc. unless Altimum Mutuals Inc. has given prior consent and the name is used together with Altimum Mutuals Inc. legal name or trade or style name of Altimum Mutuals Inc. in at least equal size in all materials communicated to clients or the public. Such consent must be filed with the MFDA and also with the OSC.

Telephone Greetings

Telephone greetings must disclose the name of Altimum Mutuals Inc. As stated, the regulators want the client to know with whom they are dealing. Therefore, telephones must be answered with Altimum's name being disclosed. Trade names may also be used if they are suitably registered and approved by Altimum. Some examples of telephone greetings are as follows:

“Good morning, ABC Financial and Altimum Mutuals”

“Altimum Mutuals and ABC Financial, how may we help you?”

In order to ensure compliance with this requirement, pass your telephone greeting by the Chief Compliance Officer prior to implementation. Telephone greetings will also be checked at random to ensure compliance.

Approved Titles and Job Descriptions

When an Approved Person is holding himself or herself out to do Altimum business, it is required that he or she use the business cards and letterhead prescribed for that purpose by the Chief Compliance Officer. Only certain job description titles are permitted. These include Financial Advisor, Mutual Funds Advisor, Approved Person, Investment Approved Person, Investment Advisor, Investment Executive, and Financial Planner (only if the individual has his CFP.) The title Certified Financial Planner is not permitted, because this is a designation and not a job description, but individuals may put CFP or RFP behind their names and use the CFP or RFP marks if they have achieved the appropriate designation.

Policy Regarding Trade Name on Legal Documents.

Rule 1.1.7 has also been amended to permit the trade name of an Approved Person to be included on contracts, account statements and confirmations, provided that Altimum Mutuals Inc. consents to such use and the Altimum Mutuals Ltd. legal name also appears in at least equal size and prominence to the Approved Person's trade name. Altimum has made its Approved Persons aware that it is Altimum's policy that any approved and registered trade names may be used by its Approved Persons on their business cards, letterhead, and in their advertising, but not on legal documents.

Altimum has made its Approved Persons aware that it is Altimum's policy that only the legal name of Altimum (Altimum Mutuals Inc.) should appear on any contracts, account statements and confirmations of Altimum.

Altimum currently has no trade name in use. A number of our Approved Persons use trade names which have been appropriately registered with the appropriate provincial authorities, and notification of such trade names has been provided to Altimum and subsequently by Altimum to both the MFDA and the OSC on the National Registration Database.

Approval of Trade Names

All trade names used by our Approved Persons must have written approval by Altimum Mutuals Inc. and notification that the name has been recorded by the MFDA and accepted the OSC before being used. The name of the Approved Person, the trade or business name the Approved Person is using, and the Approved Person's branch location must be provided to the regulators. Likewise, the MFDA reserves the right to prohibit a Dealer or an Approved Person from using any trade name that fails to meet its provisions or is otherwise objectionable. In addition, any change with respect to trade, business or style names used by Altimum Mutuals Inc. and its Approved Persons must also be reported and approved by the MFDA. This includes situations where the Member or Approved Person has ceased to use a trade name.

Altimum will not unreasonably withhold permission for its Approved Persons to use trade names.

Unacceptable Trade Names

Altimum has made its Approved Persons aware that it is Altimum's policy that they cannot use a business, trade or style name that is used by any other Dealer/Member, unless the relationship with such other Dealer/Member is that of an introducing dealer and carrying dealer.

Approved Persons shall not use any business or trade or style name that is deceptive, misleading or likely to deceive or mislead the public. Names ending in "Corp.", "Ltd." and "Inc." cannot be used as the trade name because corporate names, other than Altimum's corporate name, cannot be used as trade names. The OSC will not consent to the use of such corporate names in relation to a Dealer's business.

Identifying and Monitoring of the use of Trade Names

To enforce its policies regarding trade names, the Chief Compliance Officer will monitor mail received by Altimum, telephone greetings on the Approved Person's answering machines, and oral and written communications from clients because unapproved trade names often come to light through these avenues. The Chief Compliance Officer will also review Branch/Sub-branch Audit responses from the Approved Persons for information provided in those interviews including unapproved trade names that they might have reported as a result of the audit inquiry process.

Schedule A

MFDA Member regulation Notice MR-0072 posted in March 2010 contains a sample Schedule "A" which must be completed if Approved Persons are having their commissions paid to a corporation. See Compensation and Commission Arrangements.

For further information refer to MFDA Member regulation Notice MR-0072.

Enforcement of Policies related to Trade Names

If unapproved trade names are discovered at any time by the Chief Compliance Officer that have not been previously reported and approved by Altimum, it means that the Approved Person has failed to follow Altimum's policy regarding the disclosure and granting of permission for trade names and the Approved Person may face penalties or sanctions.

Altimum will ensure that the MFDA and the OSC are aware of all trade names that it has approved for use and that the NRD system reflects all approved trade names. Trade names will be among the items reconciled with NRD records on a quarterly basis. (See the section entitled National Registration Database).

For further information you may refer to MFDA Member regulation Notice MR-0032.

LEGISLATIVE REFERENCE: MFDA Rule 1.1.6 and 1.1.7

2. Cold Calling

The Canadian Radio-television and Telecommunications Commission launched the National Do Not Call List (DNCL) effective September 30, 2008. It is designed to reduce the number of unwanted telemarketing calls that Canadians receive.

The new legislation affects investment advisors. As an Approved Person you are considered a telemarketer who may be making unsolicited telephone calls and sending faxes for the purpose of solicitation.

As an Approved Person you may continue to solicit business by phone or fax from clients with whom you have an existing business relationship even if the client's phone number is on the DNCL. This is because calls to existing clients are exempt from the legislation if you have been in contact with them within the last 18 months. Individuals who have purchased services or have made an inquiry within the past six months, along with those who have had a contract within the past 18 months, even if it has currently expired, are not included as they are defined as those with whom you have an "existing business relationship." However, calls to referrals as well as new prospects are forbidden if those people have registered on the DNCL.

Advisors must register with the regulator and answer to any violation of its rules. Once registered, prior to making any telephone calls to referrals or prospects, advisors must check each telephone number against the national-do-not-call list. Numbers on the list must not be called. Penalties for violations can range between \$1,500 and \$15,000 for a single infraction, which is payable to the Receiver General.

Explicit written or oral consent will be required directly from the referral before calling if the individual has registered on the list. The prospect needs to telephone the advisor directly and confirm that he wants the advisor to call him. Those interested in contacting referrals should get the referring client to contact the referral and the advisor by e-mail. Then the advisor can e-mail the referral. From there, the referral may e-mail or telephone the advisor, but the advisor must not make the first call.

Business telephone numbers are exempt from the list. If you collect names and telephone numbers at home shows and the like, your ballot slip or lead card will require an additional disclosure giving permission to call. It will have to include the number or numbers at which they can be reached for contact. A record of consent, whether written or oral, must be maintained in your files. Such express consent may be withdrawn at any time.

All trade show, mass mailing and referral prospecting must be pre-approved by the Chief Compliance Officer in advance to ensure that these forms of prospecting will not lead to violations of the DNCL.

Each company is responsible for maintaining its own do-not-call list. Therefore, each advisor is responsible for making sure that people who do not want to be contacted are added to the master do-not-call list which will be maintained by Altimum. This may include people who do not want to be called by Altimum, but have not registered on the national list. The master list maintained by Altimum will be available to any reps who wish to prospect by telephone. However, the list is in addition to, and not in place of, the national DNCL. A client with whom an existing business relationship exists may ask not to be contacted and in such circumstances you must add the client to your own DNCL. Therefore, in addition to subscribing to the DNCL, as an Approved Person you are required to maintain your own do-not-call list of clients who have requested that they do not be contacted.



August 19, 2008

Memo to All Representatives

On September 30, 2008, the Canadian Radio-television and Telecommunications Commission (CRTC) issued new regulations regarding the use of cold calling. These are to be found in our Compliance Manual, Section 19, Sales Practices. Please sign the appropriate area on this page and return it to indicate that you are aware of the new rules.

- 1) I am aware of the new rules regarding cold calling and I do not intend to use cold calling in my sales practices. This includes anyone who is not currently a client.**

Representative Signature

Date

OR

- 2) I am aware of the new rules regarding cold calling and will abide by them. I agree to meet with the principals of the firm to ensure that all regulations are met prior to calling anyone who is not currently a client.**

Representative Signature

Date

Thank you,

**Edith Reid,
President and Chief Compliance Officer**

Edith G. Reid | President & Chief Compliance Officer | e-mail: edith@altimum.ca

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If a company uses employees to telemarket, both the employees and the employer are liable for breaches. If a third party, such as a telemarketing company is hired, both the telemarketing company and whoever hired it are liable for any breach. The CRTC has two years from the date of the complaint to charge the telemarketer with a violation and impose a penalty.

For further information with respect to the DNCL and how it may affect each Approved Person, please visit the DNCL website at: <http://www.lnnte-dncl.gc.ca> and the CRTC website at: www.crtc.gc.ca.

A pamphlet of information for telemarketers may be found at:
http://crtc.gc.ca/eng/DNCL/brochure_telemarkerter.pdf

Compliance with the Cold Calling Regulations

Altimum has required that every rep sign the attached document in the appropriate area.

3. Sales Communications

Altimum's Approved Persons sometimes produce mutual fund related advertisements and/or client newsletters. They also communicate with clients by letter. But clients must be absolutely aware of the name of the corporation with whom they are dealing.

Altimum has brought to the attention of its Approved Persons the importance of understanding the definition of sales communication and the specific requirements for sales communication. Altimum has apprised the Approved Persons of the specific requirements of sales communication.

Advertising and sales communications include, but are not limited to, any material used to induce the purchase or sale of a security; namely, financial plans, newsletters, radio ads, handwritten memos, client statements, mail-outs, websites, letters, print ads, yellow pages, flyers, advertisements in yearbooks and church directories, signage, TV commercials and any medium whereby an Approved Person is promoting a security.

Altimum Policy

- All advertisements must be approved, in writing, by Altimum Head Office prior to any placement.
- All sales literature, unless obtained from the mutual fund company, must be approved, in writing, by Altimum Head Office prior to usage.
- All correspondence with clients and prospective customers must be approved, in writing, by Altimum Head Office prior to use. This includes handwritten memos. As well, remember that any correspondence that mentions a specific fund must include the Fundfacts of that fund or product with the correspondence.

- All websites must be approved, in writing, by Altimum Head Office prior to implementation.

Any financial plan created by an Approved Person on behalf of a client that mentions mutual funds becomes a sales communication and therefore must be approved by Altimum Mutuals Inc. prior to being delivered to clients. As a mutual funds Approved Person, you may not refer to yourself as a financial planner unless you hold the Certified Financial Planner (CFP) designation.

Letters to clients, which contain sales literature, must be approved by a compliance officer prior to issuance. This includes handwritten memos and e-mails. Websites and e-mails being sent to a client are forms of a sales communication and must be first approved by Head Office Compliance. Furthermore, any correspondence that mentions a specific fund must include the Fundfacts of that fund or product with that correspondence. Sales communications prepared by a mutual fund manager for Altimum should only be placed in accordance with the mutual fund manager's instructions.

Contents of seminars must be approved prior to the seminar being held.

Advertising Approval Process

Altimum has made all Approved Persons aware that any advertising material must be submitted to the Chief Compliance Officer at Head Office for review and approval prior to any sales communication being sent out or advertisement being placed in the newspaper, magazine, etc. The Chief Compliance Officer reviews all such advertisements and sales communications and provides the respective Approved Persons with comments and signs off prior to such advertisements being disseminated. The Chief Compliance Officer evidences his or her review and approval of all advertising material and sales communications by initialling or signing and dating the document and keeping one copy on file. Copies of all approved advertisements are approved at Altimum's Head Office.

The process for the approval of advertising is:

1. Forward your advertisement to the Chief Compliance Officer.
2. Wait for a response.
3. If approved, proceed with the promotion. If declined, the ad cannot be distributed. If amendments are required, amend the ad and resubmit.

Although there is some variability in the time it takes to get an approval, depending on the research required and volumes of approvals, Altimum Mutuals Inc. aims for a service standard of four business days for advertising approvals.

Salespeople are cautioned about ensuring they provide adequate time for approval to be granted or revisions to be made should the request not be approved. It is highly recommended that salespeople do not book space or commit to publishing deadlines prior to approval being given to the ad. If an ad is published prior to approval being granted

due to a deadline, this will be considered a compliance violation and appropriate sanctions will be imposed.

The approval process is enhanced greatly by reducing the number of errors in the advertisement. Here are some tips to reduce common errors:

1. Ads must have Altimum Mutuals Inc.'s name and logo present.
2. Mutual fund ads must disclose your relationship with Altimum as a "Approved Person" or some other approved title.
3. All mutual fund ads must contain the standard mutual funds disclaimer.
4. All disclosures (dealer, title, sponsorship, and disclaimers) must be at least 10 pt in size.
5. Fund performance numbers must not be older than 45 days when published. One, three, five, and ten-year (or since inception) numbers must be displayed. Equal prominence must be given to all figures.
6. Broadcast warnings on television must be clearly displayed and visible for a reasonable time.
7. You cannot advertise the fact you are licensed or registered.
8. You may not refer to RRSP's, RIF's, RESP's, etc., as investments or products; they are tax plans and not investments.

Since the above is only a partial list, please ensure the Chief Compliance Officer reviews all your advertisements to reduce the number of compliance infractions.

An advertising file must be kept in the Approved Person's office for keeping all sales communications that have been sent to head office for approval. This file will be reviewed by Compliance staff at the time of a Branch Audit.

The Chief Compliance Officer keeps current on all regulatory sales communication requirements. He or she communicates such requirements to all employees who are registered to deal with the public.

Altimum is fully aware of the common deficiencies that exist with regard to advertising:

1. It fails to identify the person or identity which prepared it. A written sales communication must bear the name of Altimum or principal distributor that distributed the sales communication.
2. Its required warning language is not included. A sales communication must contain the appropriate disclaimer language for the type of information contained in it. The following legal disclaimer is the minimal disclaimer that is required for all advertisements: "Read a fund's Fundfacts and consult an investment professional before investing. Mutual funds are not guaranteed; their values change frequently, and past performance may not be repeated. Investors will pay management fees and expenses, may pay commissions or trailering commissions, and may experience a gain or loss. This ad was paid for in part by...."

3. The typeface used for disclaimer language is smaller than 10 point type. All performance data or required disclosure contained in a written sales communication shall be as large as 10-point type.
4. A comparison to a different type of investment is made without disclosure of all material facts necessary to make a comparison not misleading. An advertisement for a mutual fund or asset allocation service may not compare the performance of the mutual fund or asset allocation service with any benchmark or investment other than one or mutual funds or asset allocation services that are under common management or administration with the mutual fund or asset allocation service or with a fund with a similar fundamental investment objective, or an index.
5. A sales communication may not be untrue or misleading.
6. If a sales communication is not an advertisement, it must contain the date of first publication of the sales communication.
7. If a sales communication does contain comparable information it must, (among other things) include any facts necessary to make the comparison meaningful and use comparisons that are for corresponding periods.
8. No sales communication can contain information which conflicts with information that is contained in the fund's simplified Fimdfacts or Annual Information Form.
9. Performance data is used without disclosure of standard performance data. Any sale communication containing performance data must include standard performance data for 1, 3, 5 and 10 year periods (or if less than 10 years, since inception date.)
10. Performance data does not reflect or include references to all elements of return.
11. It uses performance data without using the required disclaimer language.
12. It uses performance data that is more than 45 days old. Any sales communication containing performance data must use data which is not older than 90 days at time of publication; however, if the sales communication is an advertisement, the performance data must not be older than 45 days at the time of use.
13. Any sales communication containing performance data cannot contain a comparison to other funds or investments with dissimilar objectives and all of the standard performance data must be of the same size and must be equal to, or larger than, the other performance data contained in the sales communication; and performance data is prohibited in sales communications for funds which have not been in distribution for at least 12 consecutive months, with a limited exception for index funds.
14. The prominence of the performance data does not comply with the requirements of the regulations.

General Standards

Complying with the rules and regulations governing advertising and sales literature is critical to ethical operation. As such, in the public interest, regulatory authorities have

established extensive regulations regarding public communications. To comply with these rules, Altimum Mutuals Inc. has established requirements and procedures applying to communications with the public.

- Approved Persons may not, directly or indirectly, publish, circulate or distribute any advertisement, sales literature or market letter containing false or misleading statements.
- Approved Persons must adhere to standards of good faith and fair dealing, as well as good taste.
- Fraudulent and manipulative devices are prohibited.
- Approved Persons may not make predictions of future performance or imply that past performance will be repeated.
- Approved Persons may not use false or misleading statements to induce the purchase or sale of securities.
- Approved Persons may not make unrealistic claims for performance, service, quality, or “value-added” service.
- Superlatives may never be used.
- Clients must be made aware of the risks inherent in any investment transaction.
- Approved Persons must consider the overall context. Statements may be misleading in one context and very appropriate in another. Statements must adequately balance potential risks and benefits.
- Approved Persons must consider the audience. Varying levels of explanation or detail are required depending on the intended audience and the ability of the publisher, given the nature of the media used, to restrict the communication to this audience.
- Approved Persons must include the name Altimum Mutuals Inc. in all advertisements or sales literature.
- All correspondence must be sent on Altimum letterhead.
- Approved Persons must not make use of negative consent letters in which an action takes place if a client does not respond.
- Approved Persons, in presenting comparisons, must make the comparison clear, must be fair and balanced in the presentation and must disclose the material differences between the products.

Advertising Your Registration

An Approved Person cannot advertise the fact that he or she is registered. This is to prevent the implication that a securities commission sanctions or condones the Approved Person’s actions or the securities offered for sale. Therefore, when selling mutual funds, it is important to identify yourself as an Approved Person of Altimum Mutuals Inc., using an appropriate title, which will also appear on your business card. (See section entitled Titles and Job Descriptions.)

Branding Requirements

Any material which is used to induce the purchase or sale of a mutual fund security, must meet regulatory requirements. Please contact Head Office for information regarding newsletters, radio ads, client statements, mail-outs, websites, print ads, TV commercials and any other promotional medium.

The securities regulators' main concern is that the investing public knows with whom they are dealing and that appropriate disclosure is made. In the event of a problem, the investor should be able to identify the name of Altimum, which in our case is Altimum Mutuals Inc. If the investor is only familiar with the Approved Person's unregistered company, e.g., ABC Financial Planning, then this form of holding out is deemed to be deceptive. It would also be deceptive to refer to yourself as a financial planner unless you hold the Certified Financial Planner (CFP) designation.

Altimum Mutuals Inc. is committed to complying with regulatory requirements and will ensure that proper disclosure is made so that the investing public is aware that it is a mutual fund dealer.

Altimum Mutuals Inc. will accomplish this disclosure by ensuring adequate signage, business cards, letterhead and telephone greetings are employed.

Approval of Branding

All Signage, Letterheads, Business Cards, Websites and Telephone Greetings must be approved in writing by Head Office Compliance prior to use. The Approved Person must place a copy of the approval in his Advertising File set up and maintained for the purpose of keeping a complete record of approved advertising. This will be reviewed at the time of an Approved Person's audit.

Samples of approved letterhead and business cards must be maintained in the same Approved Person's file and in the Head Office Advertising file.

A photograph of signage must be in the Approved Person's file and/or in the Head Office Advertising file, including information as to where signage is located (e.g., storefront, foyer, entrance door, Approved Person's office, etc.).

Signage

All offices must have appropriate signage. All Approved Persons, whether housed in a branch or sub-branch, or who work from their home, must have appropriate signage in each of those locations which discloses Altimum Mutuals Inc.'s name. Regardless of whether the Approved Person sees clients in his/her home proper signage must be displayed in the home office. Failure to comply could result in punitive measures up to and including loss of registration.

A sign indicating that Mutual Funds are sold through Altimum Mutuals Inc. would be sufficient.

This signage must be prominently displayed externally and internally so that when the client enters the premises they know with whom they are dealing.

Business Cards and Letterhead

Business Cards and letterhead will only be issued to those individuals whose registration is sponsored by Altimum Mutuals Inc. Business cards may not be issued to you or circulated until the provincial regulator has acknowledged to Altimum Mutuals Inc. that you have been registered. Conversely, if your sponsorship by Altimum Mutuals Inc. has been terminated, you must cease distributing the business cards and using Altimum Mutuals Inc. stationery. Every licensed Approved Person, registered assistant and Director or Officer of Altimum Mutuals Inc. must have letterhead and business cards.

All advertisements and sales communications must be done under the Altimum Mutuals Inc. name and logo. Only Altimum Mutuals Inc. signage, letterhead, and business cards may be used. All printed letterhead and business cards, including signage requirements, must meet the Altimum Mutuals Inc. corporate branding requirement. (i.e. colour, stock, placement, size, visibility).

The mutual fund business card must identify Altimum, the Approved Person's name, any designations or degrees, title, business address, telephone and facsimile numbers, e-mail address, and cell phone. (Refer to section re Titles.) You are encouraged to reflect designations such as CFP, etc., if you have successfully completed the proficiency requirements, after your name.

All business cards and letterhead must be ordered through Altimum's Head Office. All business cards and letterhead are printed through Head Office. The only permissible source will be the one contracted by Altimum Mutuals Inc. This means an Approved Person may not use a local printer. This is to ensure that stock, quality, colour, etc., is uniform, and the information reflects regulatory requirements.

Correspondence

When corresponding with clients, regulators, or anyone else, you must use the approved letterhead. You must also ensure that your title, the registered address and telephone number is disclosed in addition to the approved contact information that appears on the letterhead.

The use of inappropriate letterhead to discuss mutual funds business is a violation under the Securities Acts and you may be penalized, fined or have your registration suspended.

Ordering Business Cards and Letterhead

Please contact the Chief Compliance Officer for prior approval when ordering Business Cards or Letterhead. All printing costs are borne by the Approved Person and will be deducted from their commission statement. The current cost of standard stationery supplies may be obtained by contacting Head Office.

Cooperative Advertising

There are special rules if the advertising is cooperatively sponsored by Altimum and a mutual fund company. In order for a dealer to be able to advertise cooperatively with a mutual fund manager:

- 1 The primary purpose of the advertisement must be to promote or provide educational information about a mutual fund, a family of mutual funds, or investing in mutual funds;
- 2 Altimum must pay at least 50% of the direct costs of the advertisement.

If holding a client appreciation event or seminar, the focus of the event must be on mutual funds. The primary purpose (at least 2/3 of the agenda content) is to promote or provide educational information concerning mutual funds. To ensure compliance, at least 66% or 1.5 hours must be devoted to educational information concerning mutual funds.
3. All approved reimbursements from the fund companies must be paid directly to Altimum who in turn pays such reimbursements to the Approved Person. This is addressed in the section entitled Sales Practices and Compensation, Co-op Marketing Costs.

Altimum does not permit its Approved Persons to accept any other promotional activity amounts, whether in the form of cash or gifts, from fund companies other than that to be used for cooperative advertising as referred to above. Items of negligible value such as pens, hats or gym bags would be the only exceptions permitted under this policy.

Holding Out

You cannot hold yourself out as being registered if you are not registered. In order to sell mutual funds you must be registered with a provincial securities commission and sponsored by a dealer. Furthermore, as a mutual funds Approved Person, you may not refer to yourself as a financial planner unless you hold the Certified Financial Planner (CFP) designation.

Statements of Account Prepared by the Approved Person

Under MFDA rules, Approved Persons may provide consolidated 'Statement of Mutual Fund Account' to clients in addition to, but not in place of, the account statements required to be sent by Altimum Mutuals Inc. to clients as per MFDA Rule 5.3. These 'Statement of Mutual Fund Account' are considered 'client communication' under MFDA Rule 2.8. Please refer to the section entitled Portfolio Summaries under Client Reporting.

Advertising of Leverage

The MFDA has prohibited the use of misleading statements in the marketing of leverage strategies. Altimum Mutuals Inc. does not permit leverage strategies to be advertised. Altimum also prohibits its Approved Persons from participating in advertising by third parties who arrange financing for leverage strategies and does not permit joint advertising of leverage strategies with fund companies.

See the section in this manual entitled Leverage Advertising.

See also MR-0070 Misleading Communications Regarding Leverage

4. Websites

If the Approved Person has an active Website promoting the sale of Mutual Funds or any other product this must be disclosed to Altimum Mutuals Inc. Approved Persons are required to notify Altimum of any and all websites that they are involved with or that mention their name, and all websites must be approved by the Chief Compliance Officer in writing when they make reference to or promote Altimum business. Altimum is required to review websites upon notification and on an ongoing basis for compliance with MFDA rules and applicable legislation. When an Approved Person wishes to create a website, it is required that the website be created in a manner such that the Chief Compliance Officer can see it but that it is not visible to the general public. It is required that websites under construction be password-protected in order to accomplish this.

Altimum shall provide the Approved Person with a suitable Disclaimer and a suitable Privacy Policy for inclusion on the Approved Person's website before Compliance approval of the final version takes place.

The approval of the Chief Compliance Officer must be received in writing prior to the website going public.

When websites are found to be non-compliant, the Approved Person will be required to make them inaccessible to the public until satisfactory changes have been implemented.

The Chief Compliance Officer shall review and either approve or not approve the corporation's websites, including those of individual Approved Persons, to ensure compliance with MFDA Rule 2.7.3. on a quarterly basis and shall print approved sites, stamp the pages with the Chief Compliance Officer's stamp, and sign and date them as evidence of the approval.

The following are some of the more common deficiencies that cause the Website not to be approved:

1. There is no disclosure of the Altimum Mutuals Inc. name on the website even though Altimum business is promoted;
2. There is no disclosure with respect to the products and services that are sold through Altimum Mutuals Inc.
3. The website promotes products or services that the Approved Person is not licensed or qualified to sell;
4. Misleading advertisements (e.g. performance measurements or qualifications or proficiency of Approved Persons).

MFDA Rule 2.7.3 requires that a designated partner, director, officer, compliance officer or branch manager approve all advertisements and sales communications before they are issued.

The definition of “advertisement” in Rule 2.7.1 includes all communications media, including Internet websites that promote the business of Altimum Mutuals Inc. Therefore Altimum Mutuals Inc. is required to approve the websites of Approved Persons that reference or promote Altimum Mutuals Inc. business. Altimum Mutuals Inc. must ensure that such websites comply with the general restrictions set out in Rule 2.7.2 regarding false or misleading advertisements and sales communications.

Altimum Mutuals Inc. will review websites of Approved Persons to ensure compliance with MFDA Rules and all other applicable legislation, including the following:

1. Requirement that all securities-related business as defined in MFDA By-law 1 be carried on for the account of Altimum Mutuals Inc. through the facilities of Altimum Mutuals Inc., except as otherwise provided in the Rules; (Rule 1.1.1);
2. Requirements with respect to dual occupations set out in Rule 1.2.1(d), in particular:
 - a) The requirement for Member approval of outside business activities promoted on the website (Rule 1.2.1(d)(iii));
 - b) Disclosure on the website of the products and activities that are being offered through, and are the responsibility of Altimum Mutuals Inc. and which products and services are being carried on as outside business activity; (Rule 1.2.1(d)(vi));
 - c) Requirements with respect to financial planning (Rule 1.2.1(d)(vii));
 - d) Requirements with respect to business names under Rule 1.1.7, and in particular the requirement to disclose Altimum Mutuals Inc.’s name where a trade name of an Approved Person is used in connection with Altimum Mutuals Inc. business; (Rule 1.1.7(c));
 - e) Requirements with respect to business titles, which prohibits the use by Approved Persons of any business name or designation of qualifications or professional experience that deceives or misleads or could reasonably be expected to deceive or mislead, a client or any other person as to the proficiency or qualifications of the Approved Person (Rule 1.2.1(e)).

All Websites must be approved by Altimum Mutuals Inc. Approved Persons are required to notify Altimum Mutuals Inc. of websites promoting the sale of securities or promoting the Approved Person's business.

Once Altimum Mutuals receives notification of a website, the Chief Compliance Officer will review the contents of the site and will either approve, make recommendations for change or demand that the website be taken down immediately.

Before building the site please submit all proposed pages to Chief Compliance Officer for approval to ensure compliance with MFDA Rule 2.7.3 and all other applicable legislation. Approval to operate the site will be given in writing.

Altimum Mutuals Inc.'s Website Policy

Approved Persons:

1. Are welcome to have their name, their picture and their e-mail link posted on Altimum's website with the other Altimum financial advisors.
2. May link their own website to any page of Altimum's website, including the link which provides their clients with portfolio updates (if this service is subscribed to by the Approved Person.)
3. Must use only Altimum's legal name on their website unless the approved person has a registered trade name or an incorporated business name that has been approved for use by the MFDA, in which case both Altimum's legal name and the registered trade name are to appear in equal size and prominence.
4. Must use contact information incorporating the company name, the sub-branch address where applicable, and an e-mail address of the standard Altimum type and approved by Altimum (such as robertv@altimum.ca) for mutual fund business, although another e-mail address will be permitted as well if it specifies that it relates to inquiries regarding an outside business activity such as life insurance or mortgages.
5. Must not make reference to 'us', 'we' or 'and Approved Persons' if there is only one Approved Person in the office.
6. Must not use 'puffery' in their websites or other advertising, such as "we only offer the best funds" or "the funds we offer generate the best returns."
7. Must not refer to a Board of Directors or use other terminology to imply that the Approved Person runs the company.
8. Must not violate Altimum's advertising policy such as by comparing Mutual Funds to other investments with dissimilar risk or other characteristics.
9. Must not quote rates of return when the calculation of such violates Altimum's advertising policy.
10. Must only use approved terminology, so that the website does not imply discretionary money management, market timing, or other such activity.

11. Must not refer to “financial planning” “life planning” or “financial planner” without the Approved Person having proper financial planning credentials and prior approval of Altimum to determine who will supervise the financial planning activity, Altimum or his MGA.
12. Must not offer services on their website which are outside the boundaries of the Approved Person’s license (such as “structuring a will”).
13. Must have each page of the website approved in writing before posting. This includes newsletters, announcements, etc. It is required that the website be password protected so that during the design phase it can be seen by Compliance but not by the general public until approved. It is also required that Altimum-approved website developers be involved in the design and password-protected phase. These steps enable the approved person to demonstrate that he is in compliance with the policy.
14. Must clearly differentiate products sold by Altimum from those not.
15. Must not mix insurance and investment business on the website. A separate website for insurance would be recommended. This could incorporate universal life, critical illness insurance, disability insurance, writing a will, getting mortgage financing, borrowing to invest in segregated funds, Guaranteed Investment Certificates, financial planning and estate planning if done through the insurance license, and other activities conducted outside of Altimum, and this website would not mention Altimum Mutuals Inc. or mutual funds, either directly or indirectly.
16. Must not link their website to third party websites without authorization (New York Times, Lemon Aid, Raymond James, The Motley Fool, GreenLight Advisor, etc.)
17. Must demonstrate in writing that he or she has approval for the third party links that are on the site, such as Fidelity, Mackenzie, AIM Trimark, etc.
18. Must not incorporate a link to the developer’s own website on their site.
19. Must not refer or link their site to sites regarding lines of business for which the Approved Person is not licensed (auto insurance, travel agent, legal issues, etc.).
20. Must not make reference to a “sample portfolio” because
 - a) Such a practice fails to provide unique, customized solutions to each individual client, and
 - b) It is impossible to assess suitability as related to the individual looking at the website, and
 - c) There is no way to verify past performance of the sample portfolio.
21. Must use our approved disclaimers and privacy policy statements on their websites, including the client complaint disclosure form, the disclaimer that we are not responsible for third party websites which are linked to our website, and that the website is intended only to solicit business in those provinces in which we are licensed.
22. Must not solicit written questions from the general public, as the answers have to each be approved by Compliance before a response is rendered, (MFDA policy regarding written communications) which creates an unreasonable burden upon the Chief Compliance Officer.

23. Must have any subsequent changes approved in writing before posting.
Therefore, we will not permit websites that contain daily market comment by the Approved Person, etc. because it also creates an unreasonable burden upon the Chief Compliance Officer.
24. Must not use electronic newsletters without the same approval process as paper newsletters, which is to say that a copy of the letter must be approved with the Chief Compliance Officer's stamp, signature and date and must be kept on file for review by the MFDA. All newsletters must be approved before publishing, and electronic newsletters are considered to be published when they are posted to the website, so they require approval in advance. Newsletters also create a compliance burden so any changes or comments being added to websites, once approved, is discouraged.
25. Must recognize that the MFDA requires that the other websites of the Approved Person (such as websites promoting the sale of life insurance or mortgage products) be monitored by the Chief Compliance Officer and that the Approved Person must conform to these policies (to the extent that they would also apply to the outside business activity promoted on the website) or else notice may be given to the Approved Person by Altimum that Altimum will terminate the Approved Person's contract even if they do not have a website promoting mutual funds or the violations of Altimum's policy appear exclusively on the website promoting the other outside business activity or activities.
26. Must not advertise or promote the use of leverage on the website.

Altimum will diligently monitor websites for compliance and for instances of non-compliance and will take initiatives, including fines, withholding of commissions, and even termination of the employment contract if necessary to enforce the company's website policy.

Altimum has specified a standard format to use in website design, and it is expected that the website will be used only to provide contact information and a brief means whereby the public can become somewhat familiar with the Approved Person (such as by means of a photograph and/or a bio highlighting one's professional accomplishments.) It is not intended that the website would be used for purposes of educating the public about particular issues.

Websites will be monitored on a regular basis to ensure that:

1. All securities – related business as defined in MFDA By-law 1 be carried out through Altimum Mutuals Inc. (MFDA Rule 1.1.1);
2. Approval of outside business activity has been given by Altimum Mutuals. (MFDA Rule 1.2.1 (d)(iii));
3. Proper disclosure has been given of the products and activities that are being offered, and are the responsibility of Altimum Mutuals Ltd and which products and services are being carried on as outside business activity. (MFDA Rule 1.2.1)(d)(vi))

4. Requirements with respect to financial planning are adhered to. (MFDA Rule 1.2.1 (d) (vii))
5. Requirements with respect to business names under MFDA Rule 1.1.7 and MFDA Rule 1.1.7 (c);
6. Requirements with respect to business titles as per MFDA Rule 1.2.1. (e).

For further information you may refer to MFDA Member Regulation Notice MR-0033

5. Conferences and Third Party Sponsored Education Events

All invitations to Mutual Fund Sponsored Conferences, Third Party Educational Events and Dealer Conferences must be received by the Compliance Department which will decide whether or not to make attendance at the event available to its Approved Persons. The Compliance Department will make its decision known to the fund company by giving approval to the fund company in those cases where it does not object to the attendance at the event by its Approved Persons. Such approval shall not be based upon individual production and shall be available to all Approved Persons who might want to attend. Meals may be provided at such events but travel and accommodation shall be at the expense of the individual Approved Persons without remuneration or compensation from Altimum.