

IN THE MATTER OF:

**THE RULES OF THE INVESTMENT INDUSTRY REGULATORY  
ORGANIZATION OF CANADA**

**AND**

**DOMINICK CAPITAL CORPORATION**

**NOTICE OF APPLICATION FOR PROTECTIVE ORDER**

Staff of the Investment Industry Regulatory Organization of Canada (“IIROC”) will make an application to an IIROC hearing panel for a protective order against Dominick Capital Corporation (“DCC”), pursuant to Sections 8212 and 8426 of the Consolidated Enforcement, Examination and Approval Rules of IIROC (the “Consolidated Rules”).

The application will be held on: August 16, 2019 at 10:00 a.m.

The application will be held at: Investment Industry Regulatory Organization of Canada  
Ontario Room  
121 King Street West, suite 2000  
M5H 3T9

**METHOD OF HEARING OF THE APPLICATION**

The application will be conducted as a[n]:

ORAL HEARING

ELECTRONIC HEARING

WRITTEN HEARING

**THIS APPLICATION IS FOR:**

1. An Order, in the form attached as Schedule "A", suspending DCC's membership in IIROC and for ancillary relief;
2. An Order abridging the time for service of this Notice of Application and the Application Record; and
3. Such further and other relief as Counsel may request and the hearing panel may permit.

**THE GROUNDS FOR THE APPLICATION ARE:**

1. DCC is an IIROC Dealer Member and a Type 3 Introducing Broker. Laurentian Bank Securities Inc. (Laurentian) is DCC's carrying broker.
2. All Dealer Members are required to have and maintain risk adjusted capital (RAC) greater than zero. RAC is a defined measure of a Dealer Member's capital that has been adjusted for regulatory purposes. The calculation of RAC has been developed to protect the public, IIROC Dealer Members, and the Canadian Investor Protection Fund (CIPF) from capital deficiencies that may cause the insolvency of a Dealer Member.
3. Since June 2019, DCC has been in Early Warning Level 2 and has been subject to enhanced financial reporting requirements and restrictions on its ability to alter its capital structure.
4. On August 6, 2019 at 4:32 pm, DCC filed its daily RAC calculation which showed that it had RAC of (\$1,000) and was capital deficient. DCC also advised IIROC Staff that it had no sources of capital available to remedy the deficiency.

5. At present DCC has approximately 261 clients and approximately \$55 million worth of assets under administration. All client assets are held by Laurentian, the carrying broker for DCC.
6. Laurentian will maintain DCC's accounts once it is suspended and will assign a representative to handle instructions for liquidating trades and transfer requests from clients of DCC.
7. IIROC has directed DCC to advise its clients in writing that it will not be an IIROC dealer member as of August 16, 2019 and to inform clients that they should contact Laurentian to provide transfer and instructions for liquidating trades.
8. DCC is capital deficient and as such is in financial difficulty that poses a risk of imminent harm to its clients, other Dealer Members and IIROC. The capital deficiency indicates that there is a risk of insolvency which poses a potential financial risk to DCC's clients and a reputational risk to IIROC and other Dealer Members.
9. Sections 17.1, 30, and 600 of the IIROC Dealer Member Rules.
10. Sections 8212, 8404, and 8426 of the Consolidated Rules; and
11. Such further and other grounds as counsel may advise and the Hearing Panel may permit.

**EVIDENCE IN SUPPORT OF THE APPLICATION:**

Staff will rely on the following evidence in support of the application:

1. The Affidavit of Blaize Piacentini sworn August 9, 2019, including the exhibits thereto; and
2. Such further and other evidence as counsel may advise and the Hearing Panel may permit.

**DATED** this 9th day of August, 2019.

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NATIONAL HEARING COORDINATOR  
Investment Industry Regulatory Organization of Canada  
Suite 2000, 121 King Street West  
Toronto, Ontario, M5H 3T9

SCHEDULE "A"

IN THE MATTER OF:

**THE RULES OF THE INVESTMENT INDUSTRY REGULATORY  
ORGANIZATION OF CANADA**

**AND**

**DOMINICK CAPITAL CORPORATION**

**ORDER**

**THIS APPLICATION**, made by Staff of the Investment Industry Regulatory Organization of Canada ("IIROC") for an Order suspending the membership of Dominick Capital Corporation (DCC) and ancillary relief was heard on August 16, 2019 at Toronto, Ontario, pursuant to Sections 8212 and 8426 of the Consolidated Enforcement, Examination and Approval Rules of IIROC (the "Consolidated Rules").

**ON READING** the materials filed in support of this application, including the Affidavit of Blaize Piacentini sworn on August 9, 2019,

**AND ON HEARING** the submissions of counsel for IIROC Staff and DCC,

**THIS HEARING PANEL ORDERS** that:

1. Pursuant to Section 8212(4)(i) of the Consolidated Rules, DCC's membership in IIROC is suspended effective immediately.

2. Pursuant to Section 8212(4)(ii) of the Consolidated Rules, DCC shall take steps to facilitate the orderly transfer of its client accounts to its carrying broker Laurentian Bank Securities, or to another Dealer Member if so directed by a client. DCC shall bear all transfer fees associated with the transfer of its client accounts.
3. Pursuant to Section 8212(4)(iv) of the Consolidated Rules, DCC shall immediately cease to represent to the public on its website, social media or by any other means that it is registered with IIROC or provides investment services. DCC shall be permitted to post a communication on its web site regarding the suspension and informing clients on how to transfer their accounts, consistent with paragraph 2 of this Order.
4. DCC shall comply with IIROC Dealer Member Rule 600 throughout the suspension period.
5. DCC is prohibited from engaging in any of the activities set out in Sections 30.3(iv) and 30.6 of the IIROC Dealer Member Rules until IIROC notifies DCC in writing that its membership with IIROC has been terminated in accordance with paragraph 10 of this Order.
6. DCC shall file its monthly financial report (MFR) no later than 15 business days following the end of the relevant month until IIROC notifies DCC in writing that its membership with IIROC has been terminated in accordance with paragraph 10 of this Order.
7. DCC shall preserve all books and records, including all hard copy and electronic records in DCC's possession or control (including any computer servers, hard drives and any other electronically-stored records in any form) (the "Records") for a period of seven years from the date on which each record is created, and shall make such Records available upon request to IIROC staff and/or former clients of DCC within five business days or another mutually-agreed upon time period.
8. DCC shall maintain the Records at its head office premises currently located at 133 Richmond Street West, Suite 602, Toronto, Ontario, M5H 2L3 and the Records shall not be moved without prior notice to and written approval from IIROC staff, which approval

is not to be unreasonably withheld. DCC is responsible for any and all costs associated with the storage and maintenance of its Records.

9. DCC shall pay any outstanding IIROC and Canadian Investor Protection Fund Fees.
10. When IIROC is satisfied as to the determination of client claims against DCC, IIROC staff may move, in its sole discretion and without notice to DCC, for an order terminating DCC's membership with IIROC.

**DATED** at Toronto, Ontario, this 16th day of August, 2019.

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Christopher Portner, Chair

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Shaine Pollock, Panel Member

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Cindy Tripp, Panel Member