

Re First Leaside Securities

IN THE MATTER OF:

The Rules of the Investment Industry Regulatory Organization of Canada

and

First Leaside Securities Inc.

2022 IIROC 23

Investment Industry Regulatory Organization of Canada
Hearing Panel (Ontario, District)

Heard in writing: September 16, 2022, in Toronto, Ontario

Decision: September 16, 2022

Reasons for Decision: September 27, 2022

Hearing Panel:

Emily Cole, Chair, David Lang and Guenther Kleberg

Appearances:

April Engleberg, Enforcement Counsel

DECISION ON THE MOTION

INTRODUCTION

¶ 1 Staff of Investment Industry Regulatory Organization of Canada (**IIROC**) moved for an order expelling First Leaside Securities Inc. (FLSI) from IIROC and terminating its rights and privileges of membership.

¶ 2 This hearing was conducted in writing pursuant to IIROC Rule 8409. After considering the materials filed in support of the motion, the Hearing Panel granted the relief and issued the order attached.

¶ 3 Our reasons follow:

THE FACTS

¶ 4 FLSI was made subject to an order of the Superior Court of Justice (Commercial List) under the *Companies Creditors Arrangement Act* (**CCAA**) on February 23, 2012.

¶ 5 FLSI's membership in IIROC was suspended by order of an IIROC hearing panel on February 24, 2012 (the **Suspension Order**).

¶ 6 The Suspension Order required, amongst other things, that FLSI cease dealing with the public and report to IIROC every 30 days until all FLSI client accounts were transferred to third-party Dealer Member firms.

¶ 7 The Suspension Order also directed that this motion could be brought in writing.

¶ 8 The distribution of proceeds of FLSI assets to its creditors and investors is complete.

¶ 9 The receivership proceedings of FLSI under the CCAA are complete.

- ¶ 10 FLSI does not hold client assets.
- ¶ 11 Staff is satisfied that FLSI has complied with terms of the Suspension Order.
- ¶ 12 Staff is not aware of any remaining outstanding claims against FLSI.
- ¶ 13 Staff is satisfied that there are no developments that make the termination of FLSI's membership contrary to the interests of FLSI former clients and does not believe that any new client claims will be received.

REASONS

- ¶ 14 The facts are undisputed. Staff is satisfied that FLSI has complied with the terms of the Suspension Order.
- ¶ 15 There is no client harm in expelling FLSI from IIROC and terminating its rights and privileges of membership. FLSI does not hold any client assets. Staff is not aware of any remaining outstanding claims against FLSI.
- ¶ 16 Based on the foregoing, we find there are sufficient grounds under Rule 8212(4) to expel FLSI from IIROC and terminate its rights and privileges of membership.

Dated at Toronto, Ontario this 27 day of September 2022.

Emily Cole

David Lang

Guenther Kleberg

ORDER

THIS MOTION, made by Staff of the Investment Industry Regulatory Organization of Canada ("IIROC") for an Order expelling First Leaside Securities Inc. from IIROC and terminating its rights and privileges of membership was heard in writing on September 16, 2022 at Toronto, Ontario, pursuant to Sections 8212, 8409, 8426 and 8413 of the IIROC Rules.

ON READING the materials filed in support of this motion,

THIS HEARING PANEL ORDERS that:

1. Pursuant to Section 8212(4)(v) of the IIROC Rules, First Leaside Securities Inc. shall be and hereby is expelled from IIROC effective immediately.
2. Pursuant to Section 8212(4)(v) of the IIROC Rules, First Leaside Securities Inc.'s rights and privileges of IIROC membership shall be and hereby are terminated effective immediately.

DATED at Toronto, Ontario, this 16 day of September, 2022.

Original Executed by:

"Emily Cole"

Chair

"Guenther Kleberg"

Panel Member

"David Lang"

Panel Member

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