



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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FILE NO.: 2018-32

**IN THE MATTER OF
IPC SECURITIES CORPORATION and IPC INVESTMENT CORPORATION**

AnneMarie Ryan, Commissioner and Chair of the Panel
Frances Kordyback, Commissioner

June 7, 2018

ORDER

(Subsection 127(1) of the *Securities Act*, RSO 1990, c S.5)

WHEREAS on June 7, 2018, the Ontario Securities Commission (the **Commission**) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario to consider an Application made jointly by Staff of the Commission (**Staff**) and IPC Securities Corporation and IPC Investment Corporation (the **IPC Dealers**) for approval of a settlement agreement dated June 5, 2018 (the **Settlement Agreement**);

ON READING the Statement of Allegations dated June 5, 2018 and the Joint Request for a Settlement Hearing dated June 5, 2018, including the Settlement Agreement, and on hearing the submissions of counsel for the IPC Dealers and Staff;

IT IS ORDERED THAT:

1. pursuant to subsection 127(1) of the Act, the Settlement Agreement is approved; and
2. pursuant to subsection 127(2) of the Act, the approval of the Settlement Agreement is subject to the following terms and conditions:
 - a. in respect of inadequacies in the IPC Dealers' systems of controls and supervision which formed part of their compliance systems (the **Control and Supervision Inadequacies**), within 90 days of receiving comments from Staff regarding the procedures, controls and supervisory and monitoring systems designed to prevent the re-occurrence of the Control and Supervision Inadequacies (the **Enhanced Control and Supervision Procedures**), the IPC Dealers shall, for each of the IPC Dealers, provide to a manager or deputy director in the Compliance and Registrant Regulation Branch (the **OSC Manager**), revised written policies and procedures (the **Revised Policies and Procedures**) that, to the satisfaction of the OSC Manager, are responsive to any remaining issues raised by Staff with regard to the IPC Dealers' policies and procedures to establish the Enhanced Control and Supervision Procedures (the **Remaining Issues**);
 - b. thereafter, the IPC Dealers shall make such further modifications to their Revised Policies and Procedures as are required to ensure that the Revised Policies and

Procedures address any Remaining Issues to the satisfaction of the OSC Manager;

- c. within eight months of receiving confirmation from the OSC Manager that the Revised Policies and Procedures satisfy the Remaining Issues raised by Staff (the **Confirmation Date**), the IPC Dealers shall submit a letter (the **Attestation Letter**), signed by the Ultimate Designated Person and the Chief Compliance Officer for each of the IPC Dealers, to the OSC Manager, expressing their opinion as to whether the Enhanced Control and Supervision Procedures were adequately followed, administered and enforced by the IPC Dealer for the six month period commencing from the Confirmation Date;
- d. the Attestation Letter shall be accompanied by a report which provides a description of the testing performed to support the conclusions contained in the Attestation Letter;
- e. the IPC Dealers shall submit such additional reports as may be requested by the OSC Manager for the purpose of satisfying the OSC Manager that the opinion expressed in the Attestation Letter described in subparagraph (2)(c) above is valid;
- f. any of the IPC Dealers or Staff may apply to the Commission for directions in respect of any issues that may arise with regard to the implementation of subparagraphs (2)(a) to (e) above;
- g. the IPC Dealers shall comply with their undertaking in the Settlement Agreement to:
 - i. pay compensation to eligible clients and former clients and report to the OSC Manager in accordance with a plan submitted by them to Staff (the **Compensation Plan**),
 - ii. make a voluntary payment of \$30,000 to reimburse the Commission for costs incurred or to be incurred by it, and
 - iii. make a further voluntary payment of \$460,000 to be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b)(i) or (ii) of the Act; and
- h. the voluntary payment referred to in paragraph (g)(iii) above is designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act.

"AnneMarie Ryan"

AnneMarie Ryan

"Frances Kordyback"

Frances Kordyback