

**ALBERTA SECURITIES COMMISSION**

**RECOGNITION ORDER  
SELF-REGULATORY ORGANIZATION**

**Investment Dealers Association of Canada**

**Background**

1. On November 23, 1999 the Alberta Securities Commission (the **Commission**) recognized (the **Recognition**) the Investment Dealers Association of Canada (the **IDA**) as a self-regulatory organization pursuant to section 53.1 (now section 64) of the *Securities Act* (Alberta) (the **Act**).
2. The IDA and Market Regulation Services Inc. have combined (the **Combination**) their operations into the Investment Industry Regulatory Organization of Canada (**IIROC**), effective on June 1, 2008 (the **Effective Date**).
3. Subsequent to the Combination, for investigations and disciplinary actions, the IDA will continue to regulate and maintain its authority over persons and companies who are subject to its authority prior to the Effective Date (collectively, **Persons**) for conduct occurring prior to the Effective Date, for up to five years following the Effective Date.
4. The IDA and IIROC have entered into an agreement (the **Agreement**) under which the IDA has retained IIROC as its agent to perform investigation and enforcement functions on behalf of the IDA in respect of the conduct of Persons occurring prior to the Effective Date, and to provide all administrative services in connection with these functions and the continuation of the IDA.

**Representations of the IDA**

5. The IDA will, among other things:
  - (a) maintain its existence and recognition as necessary to ensure its continuing authority over Persons and their conduct occurring prior to the Effective Date;
  - (b) provide confirmation and further assurances to third parties, including tribunals and appeal bodies, of its continuing authority over Persons and their conduct occurring prior to the Effective Date;

- (c) subject to applicable law, provide to IIROC all relevant information in its possession that it receives from third parties in connection with the conduct of Persons occurring prior to the Effective Date;
- (d) to the extent required for the investigation of the conduct of Persons occurring prior to the Effective Date, request information from third parties under information-sharing arrangements to which the IDA is a party; and
- (e) perform all further acts and provide all further assurances necessary to maintain and confirm its continuing authority over Persons and their conduct occurring prior to the Effective Date.

### **IIROC's Responsibilities under the Agreement**

6. Under the Agreement, IIROC will:
  - (a) carry out on the IDA's behalf all investigative and enforcement activities relating to the conduct of Persons occurring prior to the Effective Date;
  - (b) maintain sufficient personnel, technological and other resources to perform IIROC's obligations under the Agreement in a timely and diligent manner;
  - (c) comply with, or facilitate the IDA's compliance with, the terms of any information-sharing agreements under which the IDA receives information relating to the conduct of Persons occurring prior to the Effective Date; and
  - (d) provide all funding required for the performance of activities of the IDA relating to the conduct of Persons occurring prior to the Effective Date.
7. All hearing committees and hearing panels for the purposes of any proceedings on or after the Effective Date relating to the conduct of Persons will be constituted in accordance with IIROC Transition Rule No. 1 and Schedule C-1 *Hearing Committees and Hearing Panels Rule*.

**Decision**

8. Based on the representations of the IDA above, and considering that it would not be prejudicial to the public interest to do so, the Commission orders that the Recognition is varied so that it continues in respect only of the functions specified above and subject to the terms and conditions set out in Schedule A.
9. This order becomes effective on the Effective Date.

*“original signed by”*  
\_\_\_\_\_  
Glenda A. Campbell, QC

*“original signed by”*  
\_\_\_\_\_  
Stephen R. Murison

**SCHEDULE A**  
**TERMS AND CONDITIONS**

**1. CORPORATE GOVERNANCE**

The IDA must have the same board of directors as IIROC.

**2. CAPACITY TO PERFORM REGULATORY FUNCTIONS**

(a) The IDA must enter into the Agreement with IIROC under which IIROC must act as the IDA's agent to perform regulation services, including investigation and enforcement related to the conduct of persons subject to its authority occurring prior to the Effective Date and all administrative services in connection therewith and the continuance of the IDA.

(b) Prior Commission approval is required for any changes to the Agreement.

**3. INFORMATION SHARING**

The IDA, or its agents, must share information and must otherwise co-operate with the Commission and Commission staff, other Canadian securities regulatory authorities, exchanges, other regulation services providers, other recognized self-regulatory organizations, clearing agencies, and investor protection or compensation funds.

**4. ADDITIONAL INFORMATION & COMPLIANCE WITH OVERSIGHT**

The IDA, or its agents, must provide the Commission any additional information the Commission may require from time to time.

**5. USE OF FINES AND SETTLEMENTS**

All fines collected by the IDA, or by IIROC on behalf of the IDA, and all payments made under settlement agreements entered into with the IDA, or with IIROC on behalf of the IDA, must be used in accordance with the terms and conditions set out in the IIROC recognition order with an effective date of June 1, 2008, as amended from time to time.