

Re Morgan Wilshire Securities (Canada) Inc.

IN THE MATTER OF:

AN EXPEDITED HEARINGS UNDER *DEALER MEMBER RULE 20.42* OF THE
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

AND

MORGAN WILSHIRE SECURITIES (CANADA) INC.

2009 IIROC 5

Investment Dealers Association of Canada
Hearing Panel (Ontario District Council)

Heard: January 26, 2009
(2 paras.)

Hearing Panel:

Mr. Terrance Sweeney, Chair

Mr. Guenther Kleberg

Mr. Hugh McNabney

Appearances:

Ms. Diana Iannetta & Mr. Milton Chan, Counsel for IIROC

ORDER

1. **THIS APPLICATION** by the Staff of the Investment Industry Regulatory Organization of Canada (IIROC) coming on for hearing at Toronto, Ontario on Monday, January 26, 2009, pursuant to Dealer Member Rules 20.41, 20.42, and Rule 16 of the Rules of Practice and Procedure; and upon reviewing the materials filed in support; and on hearing counsel for Staff;
2. **THIS HEARING PANEL ORDERS:**
 - 1) Pursuant to Dealer Member Rule 20.45(1)(d), Morgan Wilshire Securities (Canada) Inc. shall immediately cease dealing with the public;
 - 2) Pursuant to Dealer Member Rule 20.45(1)(f), Morgan Wilshire Securities (Canada) Inc.'s Membership is hereby terminated;
 - 3) Morgan Wilshire shall pay the Staff costs associated with this application, in the amount of \$ 6,582.75; and
 - 4) This Order will come into effect on Monday, January 26, 2009, at noon.

DATED at Toronto, Ontario, this 26th day of January, 2009.

Mr. Terrance Sweeney, Chair
Mr. Guenther Kleberg
Mr. Hugh McNabney

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NOTICE OF APPLICATION

TAKE NOTICE that on Monday, January 26, 2009, at Legal Transcript Services, 390 Bay Street, Suite 1102, Toronto, Ontario, at 10:00 am or as soon thereafter as the application can be heard, Staff of the Investment Industry Regulatory Organization of Canada (“IIROC”) will make application to a Hearing Panel for an Expedited Hearing, **WITH NOTICE**, to Morgan Wilshire Securities (Canada) Inc. (“Morgan Wilshire”) pursuant to Dealer Member Rules 20.41, 20.42 and, and Rule 16 of the Rules of Practice and Procedure.

THE RELIEF SOUGHT IS:

An Order granting the following relief:

- 1) An order pursuant to Dealer Member Rule 20.45(1)(d) directing Morgan Wilshire to immediately cease dealing with the public;
- 2) An order pursuant to Dealer Member Rule 20.45(1)(f) terminating Morgan Wilshire’s membership on the day this Order is made; and
- 3) Such further and other relief that counsel may request and that the Hearing Panel may permit.

THE GROUNDS FOR THE APPLICATION ARE:

- 1) Pursuant to Dealer Member Rule 20.42(b), the Ontario Securities Commission has suspended Morgan Wilshire’s registration as an investment dealer;
- 2) Pursuant to Dealer Member Rule 29.1, Morgan Wilshire has failed to respond to inquiries from Staff regarding audited financial statements;
- 3) Pursuant to Dealer Member Rule 30.5, Morgan Wilshire is designated in Discretionary Early Warning Level 2 and has failed to respond to inquiries from Staff and has failed to provide an acknowledgement of the imposition of the early warning restrictions;
- 4) Pursuant to Dealer Member Rule 8.8, Morgan Wilshire has informed Staff that it has made a business decision to cease carrying on business as a securities dealer in Canada; and
- 5) Morgan Wilshire has informed Staff that it will not “renew” its membership with IIROC and has decided to cease its Canadian operation; and
- 6) Such further other grounds as counsel may advise and the Hearing Panel may permit.

IIROC STAFF WILL RELY UPON THE FOLLOWING EVIDENCE:

- 1) Affidavit of William R. Dines, Manager, Financial and Operations Compliance with the Toronto office of IIROC, together with exhibits thereto; and
- 2) Such further and other evidence as counsel may advise and the Hearing Panel may permit.

DATED at Toronto, Ontario, this 19th day of January, 2009.

SIGNED: ALEKSANDAR POPOVIC
VICE-PRESIDENT, ENFORCEMENT
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
Suite 1600, 121 King Street West
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