

Re Brant Securities Limited

IN THE MATTER OF:

The Investment Dealer and Partially Consolidated Rules

and

Brant Securities Limited

2023 IIROC 01

New Self-Regulatory Organization of Canada
Hearing Panel (Ontario District)

Heard: February 23, 2023, in Toronto, Ontario

Decision: February 23, 2023

Reasons for Decision: February 24, 2023

Hearing Panel:

Martin Scisizzi, Chair, Jane Waechter and Zahra Bhutani

Appearances:

Joe Kelly, Senior Enforcement Counsel

April Engelberg, Enforcement Counsel

Keith McMeekin for Brant Securities Limited

REASONS FOR DECISION

INTRODUCTION

¶ 1 On February 23, 2023, Staff of the New Self-Regulatory Organization of Canada (the “Corporation”) made an application to this Hearing Panel for an order expelling Brant Securities Limited from the Corporation and terminating its rights and privileges of membership pursuant to Sections 8212(4)(v) and 8426(1) of the Investment Dealer and Partially Consolidated Rules (the “Investment Dealer Rules”). The application for the order sought by the Corporation was made with the written consent of Brant Securities Limited, signed by its Chief Financial Officer.

¶ 2 Following the hearing conducted by videoconference, the Hearing Panel granted the Order for reasons to follow. A copy of the Order is attached. The following are our reasons for granting the Order.

THE FACTS

¶ 3 The relevant facts justifying the Order are set out in detail in the Affidavit of Kun Kim, a Manager of Financial Operations and Compliance for the Corporation, sworn on February 7, 2023.

¶ 4 Brant Securities Limited has been a Dealer Member of the Investment Industry Regulatory Organization of Canada (“IIROC”), a predecessor organization of the Corporation, since August 1985. On September 18, 2021, IIROC was advised of Brant Securities Limited’s intention to resign as a member of IIROC due to its inability to fund and execute a proper business strategy to operate as a going concern. The Hearing Panel was informed that Brant Securities Limited has submitted a resignation application to the Corporation

but no longer has the financial means to complete the application.

¶ 5 In November 2021, the majority of Brant Securities Limited's client accounts were transferred to Worldsource Securities Inc. pursuant to an asset purchase agreement between Brant Securities Limited and Worldsource Securities Inc. dated September 15, 2021. In August 2022, the remaining clients were transferred out of Brant Securities Limited. Brant Securities Limited is no longer actively engaged in conducting any business requiring registration, has no active website and holds no client assets.

¶ 6 On December 1, 2022, the Corporation advised Brant Securities Limited that it was capital deficient in the amount of \$219,000 and notified Brant Securities Limited that it was designated in Early Warning Level Two and was restricted from certain activities unless prior written consent of the Corporation was obtained. Brant Securities Limited remains in Early Warning Level Two and remains subject to the restrictions.

¶ 7 The Chief Financial Officer of Brant Securities Limited has confirmed to the Corporation that all client complaints have been dealt with. The Corporation is not aware of any other outstanding claims or complaints against Brant Securities Limited.

¶ 8 The Hearing Panel was informed by the Corporation's Staff that they are satisfied that there have been no developments that make the termination of Brant Securities Limited's membership contrary to the interests of its former clients, and they do not believe that any new client claims will be received.

¶ 9 By a consent in writing dated February 10, 2023, signed by Brant Securities Limited's Chief Financial Officer, Brant Securities Limited consented to the Order requested by the Corporation expelling Brant Securities Limited from the Corporation and terminating its rights and privileges of membership in the Corporation pursuant to subsection 8212(4) of the Investment Dealer and Partially Consolidated Rules.

CONCLUSION

¶ 10 Subsections 8212(2)(iii) and 8212(4)(v) of the Investment Dealer and Partially Consolidated Rules provide that a hearing panel may make an order expelling a Dealer Member from the Corporation and terminating the rights and privileges of membership where "the Dealer Member has tendered its resignation, is not carrying on business as an investment dealer or is in the process of winding up or terminating its business as an investment dealer".

¶ 11 Brant Securities Limited has ceased carrying on business as an investment dealer. There is no reason for Brant Securities Limited to continue to hold the rights and privileges of membership in the Corporation. Nevertheless, it continues to be a Dealer Member of the Corporation in good standing and viewed as such by the investing public. It is in the public interest that the Order requested by the Corporation be granted.

¶ 12 The Order requested will ensure that clients, potential clients, other Dealer Members, and the public in general are made aware that Brant Securities Limited is no longer a member in good standing with the Corporation. The Order is required to alleviate the risk of imminent harm to the public and is in the public interest: *Re Regent Capital Partners Inc.* 2022 IIROC 01; *Re Pace Securities Corp.* 2020 IIROC 19; *Re Dominick Capital Corporation* 2019 IIROC 23.

¶ 13 Accordingly, for these reasons, we grant and approved the issuance of the Order.

Dated at Toronto, Ontario this 24 day of February 2023.

Martin Scisizzi

Jane Waechter

Zahra Bhutani

ORDER

THIS APPLICATION, made by Enforcement Staff of the New Self-Regulatory Organization of Canada (the “Corporation”) for an Order expelling Brant Securities Limited from the Corporation and terminating its rights and privileges of membership was heard on February 23, 2023 at Toronto, Ontario, pursuant to subsection 8212(4)(v) and subsection 8426(1) of the Investment Dealer and Partially Consolidated Rules (the “Investment Dealer Rules”).

ON READING the materials filed in support of this application, including the consent of Brant Securities Limited,

AND ON hearing the submissions of counsel for the Corporation,

THIS HEARING PANEL ORDERS that:

1. Brant Securities Limited shall cease all dealings with clients and cease representing to any other persons that it is a member of the Corporation or provides investment services effective immediately.
2. Pursuant to subsection 8212(4)(v) of the Investment Dealer Rules, Brant Securities Limited shall be and hereby is expelled from the Corporation effective immediately.
3. Pursuant to subsection 8212(4)(v) of the Investment Dealer Rules, Brant Securities Limited’s rights and privileges of Corporation membership shall be and hereby are terminated effective immediately.

DATED at Toronto, Ontario, this 23 day of February 2023.

Marty Sclisizzi

Jane Waechter

Zahra Bhutani

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