

GENERAL RULING/ORDER 11-902
RECOGNITION OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA

IN THE MATTER OF *THE SECURITIES ACT, 1988*

-AND -

IN THE MATTER OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA

RECOGNITION ORDER
(Section 21)

WHEREAS the Investment Dealers Association of Canada (the "IDA") has applied to the Saskatchewan Securities Commission (the "Commission") for recognition of the IDA as a self-regulatory organization pursuant to subsection 21(2) of *The Securities Act, 1988* (the "Act");

AND WHEREAS the Commission has considered the application and the recommendations of staff of the Commission;

AND WHEREAS the IDA has represented to the Commission that it is a person that represents registrants as defined in the Act and that it regulates the standards of practice and business conduct of its members;

AND WHEREAS the IDA has agreed to be bound by the conditions contained in Appendix A which is attached to and forms a part of this Recognition;

AND WHEREAS the IDA has made the undertakings given in Appendix B which is attached to and forms a part of this Recognition;

AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;

AND WHEREAS the Commission is satisfied that the IDA has satisfied all conditions with respect to self-regulatory organizations prescribed in the regulations or by the Commission;

NOW THEREFORE the Commission, based upon the representations and undertakings, made

and given by the IDA to the Commission, hereby recognizes the IDA as a self-regulatory organization pursuant to subsection 21(2) of the Act.

DATED at Regina, Saskatchewan, this 17th day of July, 2000.

Saskatchewan Securities Commission

Marcel de la Gorgendière
Marcel de la Gorgendière, Q.C.
Chairman

Dated April 17, 2003

Saskatchewan Financial Services Commission

"Dave Wild"
Dave Wild
Chairperson

APPENDIX A CONDITIONS OF RECOGNITION

1. In Appendix A and Appendix B:
 - a. all terms that are defined in securities legislation or the IDA rules have the meaning given to them in securities legislation or IDA rules;
 - b. "IDA rules" means the Constitution, By-laws, Regulations, Policies and Forms of the IDA;
 - c. "jurisdiction" has the meaning given to it by National Instrument 14-101 Definitions;
 - d. "securities legislation" has the meaning given to it by National Instrument 14-101 Definitions; and
 - e. "securities regulatory authority" has the meaning given to it by National Instrument 14-101.

2. The IDA acknowledges that the following are conditions of this Recognition and that failure to satisfy these conditions may result in the revocation of this Recognition.
 - a. The IDA will maintain a staff complement sufficient to ensure that all necessary investigations, disciplinary actions, and enforcement proceedings on complaints from Saskatchewan investors are conducted and concluded within a reasonable period of time following receipt of a complaint or other information that leads to the investigation, disciplinary action, or enforcement proceeding.
 - b. The IDA will maintain a staff complement sufficient to ensure that all financial reviews and audits, and sales practices reviews that the IDA is required to perform on its member firms operating in Saskatchewan are performed in a timely and thorough manner.
 - c. The IDA will not alter, in any material way, its functions or objectives, without the consent of the Commission.
 - d. The IDA will agree with the Commission through the Canadian Securities Administrators to a plan providing for the ongoing oversight of the self-regulatory function of the IDA.

APPENDIX B
UNDERTAKINGS OF THE
INVESTMENT DEALERS ASSOCIATION OF CANADA
TO THE SASKATCHEWAN SECURITIES COMMISSION

The IDA undertakes to the Commission that it will do the following:

1. Enforce compliance by its members, their staff, and their approved persons, with the IDA Rules and securities legislation as a matter of contract between the IDA and its members. These actions will be taken without prejudice to any action which may be pursued by the Commission. If the provisions of the IDA rules are inconsistent with securities legislation then the provisions of securities legislation shall govern to the extent of the inconsistency.

For greater certainty, where the IDA rules provide for higher standards than those contained in securities legislation, the Commission shall not interpret the provisions of the IDA rules as inconsistent with securities legislation unless the Commission has notified the IDA in writing that the Commission considers those provisions to be inconsistent with securities legislation.

2. Advise the Commission in writing immediately upon being notified by any securities regulatory authority that the IDA is not in compliance with one or more of the terms and conditions of recognition of the IDA in any jurisdiction or any of the undertakings given to a securities regulatory authority in connection with that recognition.
3. File with the Commission a set of the IDA rules that is complete and accurate as of the effective date of this Recognition. Thereafter the IDA shall notify the Commission in writing of any application to another securities regulatory authority with respect to making, amending or repealing a rule or rules and shall file with the Commission the rules as made, amended or repealed from time to time.
4. Advise the public and media of any disciplinary or settlement hearing by way of a press release made not less than 10 days prior to the date of any hearing, and, unless the Commission determines otherwise, the information contained in the press release shall be submitted to the Commission which may, at its discretion, publish the information in the Saskatchewan Securities Commission Monthly Bulletin or in such other manner as the Commission determines to be appropriate. The information provided must include a statement of the nature of the conduct alleged to have been committed by the respondent, the name of the respondent, and, where applicable, the name of the member firm with which the respondent is or was registered.
5. Disclose by way of a press release the terms of any settlement agreement that is accepted at a settlement hearing. The information contained in the press release is to include the name of the party disciplined, the details of the nature of the conduct that led to the discipline, the name of the party disciplined, where applicable the name of the member

firm with whom the disciplined party is or was registered, the terms of the settlement, details of discipline imposed, and any written decision or reasons. The press release must be made promptly following the approval of the settlement agreement and, unless otherwise determined by the Commission, the information contained in the press release shall be submitted to the Commission which may, at its discretion, publish the information in the Saskatchewan Securities Commission Monthly Bulletin or in such other manner as the Commission determines to be appropriate.

6. Disclose by way of a press release made promptly following the conclusion of any disciplinary action the details of the conduct that led to the discipline, the name of the party disciplined, where applicable the name of the member firm with whom the disciplined party is or was registered, the discipline imposed, and any written decision or reasons.
7. Ensure that IDA disciplinary and settlement hearings are open to the public except to the extent required for protection of confidential matters.
8. Notify the Commission on a monthly basis of all new investigations, operational reviews and similar matters undertaken by the IDA since the last report. The notification shall disclose the date the investigation, operational review, or similar matter undertaken by the IDA was commenced, identify the member and relevant staff member or approved person concerned and contain a summary of the alleged misconduct that led to the initiation of the investigation, operational review, or similar matter undertaken by the IDA. The report is to be in a form approved by the Director.
9. Notify the Commission on a monthly basis of all investigations, operational reviews and similar matters that were concluded by the IDA since the last report. This notification shall include the date the investigation, operational review, or similar matter undertaken by the IDA was commenced, contain a summary of the alleged conduct that led to the initiation the investigation, operational review, or similar matter undertaken by the IDA, the name of the members or approved persons who were the subjects of the investigation, operational review, or similar matter undertaken by the IDA and a summary of the disposition of the investigation operational review, or similar matter undertaken by the IDA. The report is to be in a form approved by the Director. The report shall be accompanied by copies of the final investigation reports and recommendations.
10. Upon receipt of a request from the staff of the Commission, advise the Commission staff of the status of any specific investigation.
11. Notify the Commission as soon as practicable, and in any event no less than 10 days following the decision, of any decision to proceed to disciplinary action against a member, a member's staff, or approved person. This notification shall include a copy of the investigation report and a copy of the formal allegations made against the respondent.

12. Keep a record of all complaints received, including anonymous and oral complaints, and provide the Commission on an annual basis, or upon request by the Commission, a summary, in a form approved by the Director, of the complaints and disciplinary action that resulted from those complaints.
13. Identify to the Commission the IDA's staff complement that has responsibility for discharging its self-regulatory responsibilities in Saskatchewan as of the effective date of this Recognition and notify the Commission in writing at least annually of any proposed or actual changes to that complement.

More particularly, but not so as to limit the generality of the foregoing, the IDA will identify to the Commission the IDA's staff complement that has specific responsibility for investigation of complaints arising from investors in Saskatchewan. The IDA will also identify to the Commission the staff complement responsible for conducting enforcement or disciplinary proceedings arising out of the activities in Saskatchewan of its member firms, their staff, and their approved persons.

14. Co-operate with the Commission in any review that the Commission undertakes, alone or in conjunction with Canadian Investor Protection Fund or other securities regulatory authorities, to examine the manner in which the IDA's self-regulatory function is exercised.
15. Make available to the Commission, upon request, any information in the possession of the IDA including information regarding securities trading and capital markets activities of its members, the self-regulatory function, and the operations and structure of the IDA.
16. Provide the Commission with an annual report, or as requested, with information regarding its affairs, financial or otherwise, as may be requested by the Commission. This annual report shall be in a form approved by the Director.
17. The IDA shall provide its budget and audited financial statements to the Commission as soon as practicable after the budget and audited financial statements have been adopted by the IDA. In addition to the budget and audited financial statements the IDA shall provide specific disclosure of the portions of the budget and financial statements that relate to the IDA's activities in Saskatchewan.
18. Self-assess the performance of its self-regulatory responsibilities in Saskatchewan and provide a report at least annually to the Commission of that self-assessment. The report shall also advise the Commission of any changes or actions that the IDA proposes as a result of the assessment. In formulating its periodic assessments and reports, the IDA shall develop criteria and tests for measuring its accessibility, responsiveness, and effectiveness in meeting the needs of the public in Saskatchewan and the IDA will ensure

that the level of accessibility, responsiveness, and effectiveness is not inferior to that enjoyed by the public elsewhere in Canada.

19. Identify the activities carried out by the IDA that are primarily of a trade association or lobbying character and ensure that they are appropriately separated from the self-regulatory operations of the IDA and, to the extent practicable, ensure that the persons within the IDA that are responsible for the performance of the trade association and lobbying activities are not involved in the discharge of the IDA's self-regulatory functions. The Commission acknowledges that within the IDA's organizational hierarchy it is not practicable for the IDA to separate the trade association or lobbying functions from the self-regulatory functions for the positions of Directors and above in that hierarchy.
20. Without restating any other reporting requirement, report to the Director in a timely way on the status of complaints or referrals of complaints from residents of Saskatchewan and file with the Director a copy of a report on each investigation and any subsequent decision, order, or ruling made in respect of those complaints or referrals. This report is to be in a form approved by the Director.
21. Provide the Commission with information about IDA registrants upon the Commission's request.
22. Provide the Commission with copies of all written notices sent to IDA members.

Any notice or other information permitted or required to be given or provided to the Commission, Commission staff, or the Director pursuant to these undertakings may be sent by any lawful postal, courier or telecommunications service, including facsimile transmission or other electronic means, and shall be sent to the attention of the Director at the Commission's Regina office.

These undertakings are in addition to and do not derogate from any other responsibilities or duties imposed by law on the IDA.

Dated this 8th day of June, 2000.

Amended this 25th day of March , 2003

Investment Dealers Association of Canada

Per: “Joseph Oliver”
Joseph J. Oliver