



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF THE SECURITIES ACT  
R.S.O. 1990, c. S.5, AS AMENDED**

**-and-**

**IN THE MATTER OF IBK CAPITAL CORP. and WILLIAM F. WHITE**

**ORDER  
(Sections 127 and 127.1)**

**WHEREAS** the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing dated November 12, 2009 (the “Notice of Hearing”) pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the “Act”), in respect of IBK Capital Corp. (“IBK”) and William F. White (“White”);

**AND WHEREAS** on November 12, 2009, Staff of the Commission filed a Statement of Allegations in respect of IBK and White;

**AND WHEREAS** IBK and White entered into a settlement agreement dated October 5, 2010 (the “Settlement Agreement”) with Staff of the Commission in relation to the matters set out in the Statement of Allegations;

**AND UPON** reviewing the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and upon considering submissions of IBK, White and of Staff of the Commission;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS HEREBY ORDERED THAT:**

1. the Settlement Agreement is approved;
2. White is reprimanded;

3. Trading in any securities by White cease for a period of two years subject to the following exceptions:
  - (a) White be permitted to trade securities in registered retirement savings plans in which he, either alone or with his spouse, has sole beneficial interest (a “White RRSP”);
  - (b) White be permitted to donate to registered charities any securities that he currently holds outside a White RRSP for a period of one hundred and twenty (120) days following the date the Settlement Agreement is approved; and
  - (c) White be permitted to dispose of any securities that he currently holds outside a White RRSP for a period of ninety (90) days following the date the Settlement Agreement is approved and to use the proceeds from such dispositions to acquire debt securities issued or guaranteed by the Government of Canada, the government of a jurisdiction of Canada or the government of a foreign jurisdiction, and to subsequently purchase and sell such debt securities.
  
4. For the two year period commencing on the date this Settlement Agreement is approved, White’s registration under Ontario securities law shall be suspended, provided that:
  - (a) White be permitted to communicate with any existing clients of IBK for a period of thirty (30) days following the date the Settlement Agreement is approved for the sole purpose of advising them of the terms and conditions of this Settlement Agreement and transitioning responsibility for such clients to one or more other registered employees of IBK and thereafter White be prohibited from communicating with clients of IBK for any purpose involving registerable activity during the remainder of the two year period; and
  - (b) White be permitted to communicate with employees at IBK for the sole purpose of assisting them with the administration of IBK’s operations provided that White does not engage in any registerable activities.

5. White shall resign all positions that he holds as a director or officer of a registrant and shall not hold any position as a director or officer of a registrant for two years from the date the Settlement Agreement is approved;
6. White shall resign all positions that he holds as a director or officer of a reporting issuer and shall not hold any position as a director or officer of a reporting issuer for two years from the date the Settlement Agreement is approved;
7. White shall pay make a payment by certified cheque to this Commission in the amount of \$30,000 for allocation to or for the benefit of third parties pursuant to s. 3.4(2)(b) of the Act;
8. White shall make a payment by certified cheque to this Commission in the amount of \$55,000 in respect of a portion of the costs of the investigation and proceeding in relation to this matter;
9. IBK is reprimanded; and
10. IBK shall submit to a review of its compliance practices and procedures related to compliance with section 76 of the Act in accordance with the Terms of Reference attached as Schedule "B".

DATED at Toronto this "7<sup>th</sup>" day of October, 2010.

*"James Carnwath"*

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James D. Carnwath  
Commissioner

**Schedule "B"****TERMS OF REFERENCE FOR COMPLIANCE REVIEW**

- A. Retention of Stephanie McManus, Compliance Support Services (the "Consultant")
- (a) The Consultant's reasonable compensation and expenses shall be borne exclusively by IBK Capital Corp. (the "Respondent").
  - (b) The agreement with the Consultant ("Agreement") shall provide that the Consultant examine and assess the effectiveness of:
    - (a) the Respondent's internal policies and procedures (the "section 76 Procedures") that are devoted to ensuring compliance with section 76 of the Act (the "section 76 Prohibition");
    - (b) adherence by the Respondent, its officers, directors and employees to IBK's section 76 Procedures; and
    - (c) the training programme that has been developed by the Respondent for the purpose of apprising its staff of the section 76 Prohibition, the section 76 Procedures and the potential consequences of any contravention thereof.(collectively, the "Review").
- B. The Consultant's Reporting Obligations
- (a) The Consultant shall issue a draft report to the Respondent within 3 months of its appointment.
  - (b) The Consultant shall engage with the Respondent in discussions regarding the draft report with a view to reaching a consensus and finalizing the report within 1 month of the delivery of the draft report. If requested by the Consultant, the Consultant may explain any areas of disagreement with management of the Respondent.
  - (c) The Consultant will deliver the final report to the Respondent.
  - (d) Staff with prior notice may attend at the premises of the Respondent and review the draft and final versions of the Consultant's report.
  - (e) The Consultant's draft and final reports shall include a description of the review performed, the conclusions reached, and the Consultant's recommendations for

any changes or improvements to the Respondent's policies and procedures as the Consultant reasonably deems necessary to conform to regulatory requirements.

- (f) The Respondent will, within 60 days after receipt of the Consultant's report, advise the Staff of the OSC ("OSC Staff") of a timetable to implement the recommendations contained in the report; however, in the event the Respondent disagrees with any of the recommendations, the Respondent shall so advise OSC Staff and provide to the Consultant reasons for such position and, if applicable, any alternative actions, policies or procedures the Respondent intends to adopt.
- (g) Staff may attend at the premises of the Respondent and may review the Consultant's report with respect to the implementation of the Consultant's recommendations.
- (h) The Respondent shall certify to the Commission, by certificate executed on its behalf by the President of the Respondent, that the Respondent has implemented those recommendations of the Consultant which it had agreed upon, and will do so promptly following such implementation.
- (i) For greater certainty, the terms of this compliance review do not limit in any respect the authority of the Commission to undertake, as part of its normal course audit activities, a review of all matters within the scope of the Review or any other aspect of the business of the Respondent.

C. Terms of the Consultant's Retention

- (a) The appointment of the Consultant shall be made promptly following the approval of the Settlement Agreement, but in any event by no later than thirty (30) days following the date the Settlement Agreement is approved,
- (b) The Consultant shall have reasonable access to all of the Respondent's books and records and the ability to meet privately with the Respondent's personnel. The Respondent shall instruct and otherwise encourage its officers, directors, and employees to cooperate fully with the review conducted by the Consultant, and inform its officers, directors, and employees that failure to cooperate with the Review may be grounds for disciplinary action.
- (c) The Consultant shall have the right, as reasonable and necessary in his or her judgment, to retain, at the Respondent's expense, lawyers, accountants, and other persons or firms, other than officers, directors, or employees of the Respondent, to assist in the discharge of the Consultant's obligations. The Respondent shall pay all reasonable fees and expenses (as reasonably documented) of any persons or firms so retained by the Consultant.

- (d) The Consultant shall make and keep notes of interviews conducted, and keep a copy of documents gathered, in connection with the performance of his or her responsibilities.