

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, s. 27.1, as amended**

AND

**IN THE MATTER OF A DECISION OF A HEARING PANEL
OF THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA (“IIROC”)**

AND

**IN THE MATTER OF A DISCIPLINARY PROCEEDING BETWEEN STAFF OF IIROC
AND STEVEN GEORGE CONVILLE**

CROSS APPLICATION FOR A HEARING AND REVIEW

The Applicant, Investment Industry Regulatory Organization of Canada (“IIROC”), applies to the Ontario Securities Commission (the “Commission”) pursuant to section 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) for a hearing and review of the decision of the Hearing Panel dated February 12, 2013, *In the Matter of Steven George Conville*, [2013] IIROC No. 5 (the “Decision”).

1. **THE APPLICANT REQUESTS** that the Commission make an order:
 - (a) pursuant to section 21.7 and subsection 8(3) of the Act setting aside the 6 month suspension imposed by the Hearing Panel in the Decision on Steven George Conville (the “Respondent”);
 - (b) pursuant to section 21.7 and subsection 8(3) of the Act:
 - (i) imposing in its place a permanent prohibition on the Respondent’s approval with IIROC; or
 - (ii) alternatively, remitting the matter of the penalty to the Hearing Panel to reconsider in light of the Commission’s decision;
 - (c) granting leave for the filing of this application; and

- (d) granting such further and other relief as counsel may request and the Commission may order.

2. THE GROUNDS FOR THE APPLICATION are:

- (a) the Hearing Panel found that the Respondent participated in and facilitated a scheme in which two friends of his would obtain a mortgage based on fraudulent grounds and use the proceeds to purchase the Respondent's residence, thereby violating IIROC Dealer Member Rule 29.1;
- (b) the Hearing Panel imposed a 6 month suspension on the Approval of the Respondent to act as a partner, director, officer or employee of a Dealer Member;
- (c) the Hearing Panel erred in principle in placing too much weight on the Respondent's lack of disciplinary history in determining the appropriate penalty;
- (d) the Hearing Panel erred in principle in failing to place sufficient weight on the Respondent's acceptance of responsibility, acknowledgement of misconduct and lack of remorse in determining the appropriate penalty;
- (e) the Hearing Panel erred in principle by imposing a penalty that was unfit and inappropriate in all the circumstances and that undermines the specific and general deterrence for similar misconduct in the capital markets;
- (f) the suspension imposed by the Hearing Panel is inconsistent with the public interest in light of the seriousness of his misconduct;
- (g) IIROC was not served with a copy of the Respondent's application for a hearing and review of the Decision. A copy of the Respondent's application was received by IIROC from the Commission on March 27, 2013. IIROC always had the intention to proceed with its own application in the event that the Respondent sought a hearing and review of the Decision;
- (h) sections 8 and 21.7 of the Act;
- (i) Rules 2.2 and 14 of the *Ontario Securities Commission Rules of Procedure* (the "OSC Rules of Procedure"); and
- (j) such further and other grounds as counsel may advise.

THE DOCUMENTARY EVIDENCE to be used at the hearing of this application is:

- (a) the record of the proceeding before the Hearing Panel as provided in Rule 14.3 of the OSC Rules of Procedure, including, in particular:
 - (i) the Fresh as Amended Notice of Hearing dated December 5, 2011;
 - (ii) the documentary evidence presented to the Hearing Panel;
 - (iii) the transcripts of the oral evidence at the hearing before the Hearing Panel;
 - (iv) the Decision and Reasons of the Hearing Panel dated June 11, 2012;
 - (v) the Decision and Reasons of the Hearing Panel dated February 12, 2013;
and
 - (vi) such further and other evidence as counsel may advise and the Commission may permit.

April 5, 2013

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