

ONTARIO SECURITIES COMMISSION

IN THE MATTER OF THE SECURITIES ACT, R.S.O., C. S.5, AS AMENDED

AND

**IN THE MATTER OF AN APPLICATION FOR A HEARING AND REVIEW OF A
DECISION OF A HEARING PANEL OF THE INVESTMENT INDUSTRY
REGULATORY ORGANIZATION OF CANADA**

AND

IN THE MATTER OF THE UNIVERSAL MARKET INTEGRITY RULES

AND

**IN THE MATTER OF TD SECURITIES INC., KENNETH NOTT, AIDIN SADEGHI,
CHRISTOPHER KAPLAN, ROBERT NEMY AND JAKE POULSTRUP**

NOTICE OF REQUEST FOR HEARING AND REVIEW

STAFF OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (“IIROC Staff”) requests a hearing and review by the Ontario Securities Commission of the Reasons and Decision of a Hearing Panel of the Investment Industry Regulatory Organization of Canada (the “Hearing Panel”) dated November 30, 2010 (the “Decision”), pursuant to s. 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended.

IIROC STAFF is directly affected by the decision.

THE GROUNDS FOR THE REQUEST ARE:

1. By way of Notice of Hearing dated February 22, 2008, IIROC Staff commenced a disciplinary proceeding pursuant to the Universal Market Integrity Rules (“UMIR”) against TD Securities Inc., Kenneth Nott, Aidin Sadeghi, Christopher Kaplan, Robert Nemy and Jake Poulstrup.

2. On November 30, 2010, the Hearing Panel released its Decision. The Hearing Panel found that Kenneth Nott, Aidin Sadeghi, Christopher Kaplan, Robert Nemy and Jake Poulstrup entered artificial closing bid orders contrary to UMIR 2.2 and Policy 2.2. The Hearing Panel dismissed the allegation that between May 2005 and October 2005 (the “Relevant Period”), TD Securities Inc. (“TDSI”) failed to comply with its trading supervision obligations contrary to UMIR 7.1 and Policy 7.1.

3. The Hearing Panel erred in law in dismissing the allegation against TDSI on the basis that the TDSI compliance monitoring system contained a fundamental flaw insofar as it was focused on bids outside the context of the market.

4. The Hearing Panel erred in law in deciding that a mistaken understanding of UMIR 2.2 and Policy 2.2 by TDSI excuses any failure on its part to comply with its trading supervision obligations under UMIR 7.1 and Policy 7.1.

5. The Hearing Panel overlooked material evidence in reaching the conclusion that during the Relevant Period TDSI had a mistaken understanding of UMIR 2.2 and Policy 2.2.

6. The Hearing Panel erred in law and misapprehended the evidence in considering a trading analysis prepared after the Relevant Period by TDSI, its employees and an expert retained by TDSI.

7. The Hearing Panel overlooked material evidence concerning the manner in which TDSI addressed the risks associated with inventory trading at the Burlington office, TDSI’s supervisory practices and procedures, and TDSI’s review and monitoring of order entry activity during the Relevant Period.

IIROC STAFF RESPECTFULLY REQUESTS:

1. An order setting aside the Decision of the Hearing Panel with respect to the allegation against TDSI and making a finding that between May 2005 and October 2005 TDSI failed to comply with its trading supervision obligations contrary to UMIR 7.1 and Policy 7.1.

2. Such further and other order as counsel may request and the Ontario Securities Commission deem just.

December 29, 2010

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