



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
DAVID CHARLES PHILLIPS**

**TEMPORARY ORDER
Subsections 127(1) and 127(5)**

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. First Leaside Securities Inc. ("FLSI") was registered with the Commission as an investment dealer until February 24, 2012, when its registration was suspended;
2. F.L. Securities Inc. ("F.L. Securities") was registered with the Commission as an exempt market dealer until February 28, 2012, when its registration was suspended;
3. FLSI and F.L. Securities are part of a collection of at least 161 First Leaside entities (the "First Leaside Group");
4. David Charles Phillips ("Phillips") is or was the controlling and directing mind of the First Leaside Group;
5. On November 7, 2011, the First Leaside Group agreed that FLSI and F.L. Securities would cease trading in securities of any limited partnerships and funds formed or established by FLSI, F.L. Securities or any other member of the First Leaside Group;
6. FLSI, F.L. Securities and other entities in the First Leaside Group applied to the Ontario Superior Court of Justice for an order that the *Companies' Creditors*

Arrangement Act, R.S.C. 1985, c. C-36 applies to them. The Court granted the initial order on February 23, 2012, and subsequently extended the order to June 29, 2012;

7. Phillips was registered as a trading officer and approved as a director and shareholder with FLSI from March 1, 2004 to February 24, 2012. Phillips was registered as the ultimate designated person of FLSI from January 11, 2010 to February 24, 2012;
8. Phillips was registered as a trading officer and approved as a director with F.L. Securities from April 14, 2000 to February 27, 2004. Phillips was approved as a shareholder of F.L. Securities from March 17, 2004 to February 28, 2012;
9. Phillips' registration was suspended in accordance with subsection 29(2) of the Act when the corresponding registration of FLSI and F.L. Securities was suspended;
10. Phillips is acting as a consultant to at least two groups of investors to raise capital in respect of First Leaside Group entities and has been or expects to be compensated for that activity;
11. in so doing, Phillips engaged in or held himself out as engaging in the business of trading after his registration was suspended contrary to subsection 25(1) of the Act; and
12. Phillips has acted contrary to the public interest.

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in section 127(5) of the Act;

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

AND WHEREAS by Authorization Order made July 14, 2011, pursuant to subsection 3.5(3) of the Act, the Commission authorized each of Howard I. Wetston, James E. A. Turner, Kevin J. Kelly, James D. Carnwath, Mary G. Condon, Paulette Kennedy, Vern Krishna, Christopher Portner and Edward P. Kerwin, acting alone, to exercise the powers of the Commission to make Orders under section 127 of the Act;

IT IS ORDERED that Phillips shall cease trading in all securities;

IT IS FURTHER ORDERED that any exemptions contained in Ontario securities law do not apply to Phillips;

IT IS FURTHER ORDERED that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

DATED at Toronto this 15th day of May, 2012.

"Mary G. Condon"