



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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Toronto ON M5H 3S8

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Toronto ON M5H 3S8

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**IN THE MATTER OF  
THE *SECURITIES ACT*, RSO 1990, c. S.5**

**- AND -**

**IN THE MATTER OF ARGOSY SECURITIES INC. and  
KEYBASE FINANCIAL GROUP INC.**

**ORDER  
(Subsection 8(4) of the *Securities Act*)**

**WHEREAS:**

1. on September 14, 2015, Argosy Securities Inc. (“Argosy”) and Keybase Financial Group Inc. (“Keybase”) requested a hearing and review of a decision of a Director of the Compliance and Registrant Regulation Branch dated August 18, 2015 (“Director’s Decision”) pursuant to subsection 8(2) of the of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), and for a stay of the Director's Decision pending the disposition of the hearing and review pursuant to subsection 8(4) of the Act (“Stay Motion”);
2. on November 6, 2015, the Ontario Securities Commission (the “Commission”) held a hearing to consider the Stay Motion;
3. on November 12, 2015, pursuant to subsection 8(4) of the Act, the Commission ordered (the “Stay Order”) that the Director’s Decision be stayed effective immediately until further order of the Commission and, in any event, not later than January 18, 2016, subject to the following conditions:

- a. the hearing of the hearing and review of the Director's Decision shall be held no later than January 15, 2016, on a date or dates to be fixed by the Office of the Secretary to the Commission;
- b. the parties shall serve and file memoranda of fact and law with respect to the hearing and review of the Director's Decision in accordance with Rule 14.9 of the Commission's *Rules of Procedure* (2014) 37 O.S.C.B. 4168; and
- c. Argosy and Keybase shall be subject to the following conditions (collectively, the "Stay Conditions"):
  - i. Argosy will add no more than five net new dealing representatives to its current complement of approximately eighteen representatives;
  - ii. Argosy will not open any new branch locations;
  - iii. Keybase will add no more than nineteen net new dealing representatives to its current complement of approximately 193 representatives;
  - iv. Keybase will not open any new branch locations but may create new sub-branch locations provided Keybase branch managers conduct appropriate supervision, including periodic visits, in respect of all sub-branches as required by MFDA by-laws, rules and policies;
  - v. any Keybase advisor who currently has 20% or more of his/her total clients' assets under administration as leveraged investments will not engage in further leveraged activity; and
  - vi. any Keybase advisor who currently has less than 20% of his/her total clients' assets under administration will not exceed 20% leverage;

4. on December 22, 2015, the Commission issued a Notice of Hearing in which it advised that it would hold a hearing commencing on January 15, 2016, to consider a request made by Argosy and Keybase, pursuant to section 8 of the Act, for a hearing and review of the Director's Decision;
5. on January 15 and 18, 2016, the hearing and review of the Director's Decision was held with the parties and their counsel present, but did not conclude in the time allotted;
6. on January 18, 2016, the parties consented to the continuation, until January 20, of the Stay Order; and
7. the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED THAT:**

1. the hearing and review of the Director's Decision shall continue and be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Wednesday January 20, 2016 at 10:00 a.m.; and
2. pursuant to subsection 8(4) of the Act, the Director's Decision remains stayed and Argosy and Keybase shall be subject to the following conditions until further order of the Commission and, in any event, not later than January 20, 2016:
  - a. Argosy will add no more than five net new dealing representatives to its complement of representatives as at the date of the Stay Order;
  - b. Argosy will not open any new branch locations;
  - c. Keybase will add no more than nineteen net new dealing representatives to its complement of representatives as at the date of the Stay Order;
  - d. Keybase will not open any new branch locations but may create new sub-branch locations provided Keybase branch managers conduct appropriate

supervision, including periodic visits, in respect of all sub-branches as required by MFDA by-laws, rules and policies;

- e. any Keybase advisor who currently has 20% or more of his/her total clients' assets under administration as leveraged investments will not engage in further leveraged activity; and
- f. any Keybase advisor who currently has less than 20% of his/her total clients' assets under administration will not exceed 20% leverage.

**DATED** at Toronto this 18<sup>th</sup> day of January, 2016.

*“ Timothy Moseley ”*

Timothy Moseley

*“D. Grant Vingoe”*

D. Grant Vingoe

*“Deborah Leckman”*

Deborah Leckman