



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

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

- and -

**IN THE MATTER OF
WAVERLEY CORPORATE FINANCIAL SERVICES LTD.
AND DONALD MCDONALD**

ORDER

WHEREAS:

1. Waverley Corporate Financial Services Ltd. (“Waverley”) is registered as an exempt market dealer and Donald McDonald (“McDonald”) is registered as the Ultimate Designated Person and Chief Compliance Officer of Waverley;
2. on July 15, 2016, the Director of the Compliance and Registrant Regulation branch (the “Director”) of the Ontario Securities Commission (the “Commission”) issued a decision with respect to the registration of Waverley that:
 - a. Waverley cease all activity conducted under the Issuer-Connected DR Model and shall not sponsor a dealing representative, except in accordance with Ontario securities law, effective 30 days from the date of her decision to allow for an orderly transition; and
 - b. McDonald is required to successfully complete, and provide proof thereof, the Osgoode Certificate in Regulatory Compliance and Legal Risk Management for Financial Institutions, by no later than July 15, 2017
(the “Director’s Decision”);
3. on July 20, 2016, Waverley (the “Applicant”) requested a hearing and review of the Director’s Decision by the Commission pursuant to s. 8(2) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”) (the “Hearing and Review”) and pursuant to s. 8(4) of the *Act*, the Applicant requested a stay of the Director’s Decision pending the disposition of the Hearing and Review (the “Stay”);
4. Waverley filed the affidavit of Donald McDonald sworn August 3, 2016 (the “McDonald Affidavit”) in support of the Stay application which was heard on August 4, 2016;

5. on August 4, 2016, the Commission ordered that
 - a. the Director's Decision be stayed, subject to the following condition:
 - i. Waverley shall not file any applications for any new dealing representatives that are connected to an issuer within the meaning of the definition of "connected issuer" found at section 1.1 of National Instrument 33-105 *Underwriting Conflicts*, pending the Commission's decision on the Hearing and Review;
 - b. the stay order shall continue in force until a decision is rendered by the Panel presiding over the Hearing and Review;
 - c. the Applicant shall serve and file the record of the proceeding before the Director, any statement of fact and law and shall comply with Rule 14.5 of the *OSC Rules of Procedure* by August 22, 2016;
 - d. Staff of the Commission shall deliver any record in response, any statement of fact and law and shall comply with Rule 14.5 by September 2, 2016;
 - e. the Hearing and Review shall commence on September 12, 2016, at 10:00 am and shall continue on September 15, 2016, at 9 a.m.;
6. during the attendance on August 4, 2016, it was agreed that Staff would be sending counsel for Waverley a list of questions pertaining to the McDonald Affidavit (the "List of Questions") and that the parties could re-attend before the panel that heard the Stay application in the event of any disagreement regarding the List of Questions;
7. Staff submitted a List of Questions to Waverley on August 12, 2016 and Waverley objected to the List of Questions on August 15, 2016;
8. an attendance before the panel that heard the Stay application to address the List of Questions was scheduled for August 16, 2016 at 10:30 am;
9. upon hearing the submissions of counsel for Waverley and Staff; and
10. the Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED THAT

- (a) Waverley shall deliver the following information to Staff by the close of business on August 31, 2016:

- i. trade blotters for all products sold by Waverley from January 2014 to March 2016, indicating, among other things, the name of the dealing representative (“DR”) who sold the product and the amount of commission paid to that DR, to the extent applicable, in respect of the sale of the product;
- ii. details of any amounts paid to Chris Wong (“Wong”) and Zichao Liang (“Liang”) by RESCO Mortgage Investment Corp. (“RESCO”), any of the officers, directors or shareholders of RESCO, any companies related to RESCO, including Radiance Mortgage Brokerage Inc. and any companies in relation to which any of the officers, directors or shareholders of RESCO are officers, directors or shareholders (the “RESCO Group”), details of any relationships between any members of the RESCO Group and Wong and details of any relationships between any members of the RESCO Group and Liang;
- iii. details of any amounts paid to Morgan Marchant (“Marchant”) and Jason Suchecki (“Suchecki”) by MM Realty Partners LP (“MM Realty”), any of the officers, directors or shareholders of MM Realty, any companies related to MM Realty and any companies in relation to which any of the officers, directors or shareholders MM Realty are officers, directors or shareholders (the “MM Realty Group”), details of any relationships between any members of the MM Realty Group and Marchant and details of any relationships between any members of the MM Realty Group and Suchecki;
- iv. copies of current DR agreements between Waverley and each of Chris Cheng, Wong, Liang, Marchant and Suchecki; and
- v. if any other Waverley DRs are required to pay fees to Waverley as part of their DR agreement, to provide copies of the DR agreements for each of these DRs.

DATED at Toronto, this 26th day of August, 2016.

“Alan Lenczner”

Alan Lenczner, Q.C.