INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

IN THE MATTER OF:

THE DEALER MEMBER RULES OF THE
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

AND

PEREGRINE FINANCIAL GROUP CANADA, INC.

Hearing Panel:
The Honourable Fred Kaufman (Chair), Brigitte Geisler and Terry Bourne

Appearances:
Susan Kushneryk, Senior Enforcement Counsel, IIROC
Mark Evans, Counsel for Peregrine Financial Group Canada, Inc.

ORDER

WHEREAS counsel for staff of the Investment Industry Regulatory Organization of Canada ("IIROC") and counsel for Peregrine Financial Group Canada, Inc. ("Peregrine") appeared before us on Thursday, July 19th, 2012;

AND ON REVIEWING the affidavit of Catherine Drennan, sworn July 19th, 2012;

AND ON BEING ADVISED of the consent of Peregrine to this Order;

AND ON HEARING submissions from counsel for IIROC and counsel for Peregrine;

THIS PANEL HEREBY ORDERS THAT:

1. Peregrine's Membership is, on consent, immediately suspended;

2. Peregrine is directed to immediately cease dealing with the public as a Dealer Member, including removing any websites from public access;

3. Notwithstanding any other provisions of this Order, Peregrine is authorized and entitled but, subject to paragraph 7 hereof, not obligated to pay its reasonable operating expenses including without limitation severance payments, wages for Peregrine staff, lease payments, legal costs and storage costs after providing IIROC's Vice President, Financial and Operations Compliance ("IIROC VP Operations") with prior written notice of such payments.

4. Peregrine is restricted from undertaking any of the following activities without first obtaining the written consent of IIROC's VP Operations:

   (a) reducing its capital in any manner including redemption, repurchase or cancellation of any of its shares;

   (b) reducing or repaying any indebtedness which has been subordinated with the approval of IIROC;

   (c) directly or indirectly making any payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company or affiliate; and

   (d) increasing non-allowable assets, unless a prior binding commitment to do so exists, or entering into any new commitments which would have the effect of materially increasing the non-allowable assets of the firm;

5. Peregrine shall work with IIROC staff to plan and effect steps for an orderly wind-down, through a liquidation or other similar process acceptable to IIROC staff, which steps shall be initiated in a manner satisfactory to IIROC staff no later than August 20, 2012, failing which IIROC staff may appear before a Hearing Panel for further orders and direction;

6. Peregrine shall preserve all books and records, including all hard copy and electronic records in Peregrine's possession or control (including any computer servers, hard drives and any other electronically stored records in any form) (the "Records") for a period of

nine months or pending further order of a Hearing Panel, which Records shall be made available to IIROC staff on demand within a reasonable timeframe;

7. Peregrine shall maintain the Records at its office premises at 1290 Central Parkway West, Suite 200, Mississauga, Ontario, and shall pay any and all costs required for the purpose of that maintenance, for the period set out in paragraph 6 hereof, and the Records shall not be moved or altered without notice and approval of IIROC staff; and

8. Upon IIROC staff's satisfaction that necessary wind-up steps have been effected, IIROC staff may move without notice to Peregrine for an order terminating Peregrine's Membership.

DATED at Toronto, this 19th day of July, 2012.

"Fred Kaufman"

The Honourable Fred Kaufman

"Brigitte Geisler"

Brigitte Geisler

"Terry Bourne"

Terry Bourne