

**INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA**

IN THE MATTER OF:

**AN EXPEDITED HEARINGS PURSUANT TO DEALER MEMBER
RULE 20.42 OF THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA**

AND

EDGECREST CAPITAL CORPORATION

NOTICE OF APPLICATION

TAKE NOTICE that on September 10, 2015, in the IIROC British Columbia Room, 121 King St. W, Suite 2000, Toronto, Ontario, at 10:00 a.m. or as soon thereafter as the application can be heard, Staff of the Investment Industry Regulatory Organization of Canada (“IIROC”) will make application to a Hearing Panel for an Expedited Hearing, **WITH NOTICE**, to Edgecrest Capital Corporation (“Edgecrest”) pursuant to Dealer Member Rules 20.41, 20.42 and 20.45 and Rule 16 of the Rules of Practice and Procedure.

THE RELIEF SOUGHT IS:

An Order granting the following relief:

1. An order pursuant to Dealer Member Rule 20.45(1)(a) suspending Edgecrest’s membership;
2. An order pursuant to Dealer Member Rule 20.45(1)(d) directing Edgecrest to immediately cease dealing with the public;

3. An order that Edgecrest comply with IIROC Dealer Member Rule 600 throughout the suspension period;
4. An order that Edgecrest shall preserve all books and records, including all hard copy and electronic records in Edgecrest'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 7 years or pending further order of a Hearing Panel, which Records shall be made available to IIROC staff on demand within a reasonable timeframe;
5. An order that upon determination of all client claims against Edgecrest to the satisfaction of IIROC Staff, IIROC Staff may move, without notice to Edgecrest, for an order terminating the membership of Edgecrest;
6. An order that Edgecrest shall pay all outstanding IIROC and Canadian Investor Protection Fund fees; and
7. Such further and other relief that counsel may request and that the Hearing Panel may permit.

THE GROUNDS FOR THE APPLICATION ARE:

1. Edgecrest is an IIROC Dealer Member with its head office and only office located in Toronto, Ontario.
2. On February 3, 2015, Edgecrest was designated in Early Warning Level Two as a result of its Risk Adjusted Capital (RAC) equaling less than three times the net losses for the firm for the month of January 2015.
3. On May 19, 2015, Edgecrest became capital deficient.

4. On May 25, 2015, Edgecrest corrected its capital deficiency. However, Edgecrest continued to trigger the criteria for IIROC's Early Warning Level Two Category.
5. On August 20, 2015, Edgecrest again became capital deficient.
6. On August 24, 2014, Edgecrest advised IIROC Staff that it was unable to correct the capital deficiency and that Edgecrest had decided to terminate the employment of all of its staff.
7. On August 25, 2015, Edgecrest advised that it had decided to wind up its operations and submitted notice of its intention to resign its membership with IIROC.
8. Edgecrest has begun the process of resigning its membership in IIROC, but is unable to complete that process due to financial limitations as it may not have sufficient assets to fully discharge its liabilities (before subordinated loans) and is capital deficient.
9. Although Edgecrest cannot conduct any registerable activities, it is currently a Dealer Member and enjoys the privileges associated with IIROC. Furthermore, IIROC's records, including its website, indicate that Edgecrest is a member of IIROC.
10. Pursuant to Dealer Member Rule 20.42(d), Edgecrest is in such financial or operating difficulty that it cannot be permitted to continue to operate without risk of imminent harm to the public, other Dealer Members or the Corporation.
11. Allowing Edgecrest to continue as a Dealer Member with all the privileges associated therewith is untenable while the firm is unable to conduct registerable activities and has effectively ceased active business operations.

12. The suspension of Edgecrest is in the public interest given its intent to cease operations.
13. Dealer Member Rules 20.41, 20.42 and 20.45.
14. Rule 16 of IIROC's Rules of Practice and Procedure.
15. Such further and other grounds as counsel may advise and the Hearing Panel may permit.

IIROC STAFF WILL RELY UPON THE FOLLOWING EVIDENCE:

1. Affidavit of Blaize Piacentini, Manager, Financial and Operations Compliance with the Toronto office of IIROC, together with exhibits thereto, dated September 3, 2015;
2. Consent of Edgecrest; and
3. Such further and other evidence as counsel may advise and the Hearing Panel may permit.

DATED at Toronto, ON, this ____ day of September, 2015.

ELSA RENZELLA
VICE-PRESIDENT, ENFORCEMENT
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
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