



THE MANITOBA
SECURITIES
COMMISSION

THE COMMODITY FUTURES ACT)
)
Section 66(1))
) **Order No. 6723**
) **May 28, 2013**

KERNAGHAN SECURITIES LTD.

WHEREAS:

(A) Kernaghan Securities Ltd. (the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to section 66(1) of the *Commodity Futures Act* (Manitoba) (the "CFA") exempting the Applicant from the requirements of Section 3.17 of MSC Rule 2000-11 (the "Rule") to be a member of a commodity futures exchange registered under the CFA (the "Order");

(B) The Applicant has represented to the Commission that:

- (1) The Applicant is a corporation incorporated under the laws of Ontario and has its head office in Toronto, Ontario;
- (2) The Applicant is a member of the Investment Industry Regulatory Organization of Canada and is registered as an Investment Dealer;
- (3) The Applicant is in the process of obtaining registration as a futures commission merchant under the CFA;
- (4) Section 3.17 of the Rule provides that a registrant under the CFA must be a member of a registered commodity futures exchange;
- (5) The only registered commodity futures exchange under the CFA is the ICE Futures Canada, Inc. ("ICE"); and
- (6) The Applicant has entered into an introducing/carrying broker agreement with RJ O'Brien;
- (7) RJ O'Brien is a member of the Investment Industry Regulatory Organization of Canada and is registered an Investment Dealer;
- (8) RJ O'Brien is a clearing participant of the ICE Futures Canada, Inc. National Futures Association I.D. No. 0444617, member 101;
- (9) RJ O'Brien's head office is located in Winnipeg, Manitoba;
- (10) All orders for the ICE Futures Canada Inc. marketplace shall be placed through RJ O'Brien, under their membership I.D.;

(11) RJ O'Brien shall be responsible for custody and segregation of client assets, order facilitation, trade clearing and settlement.

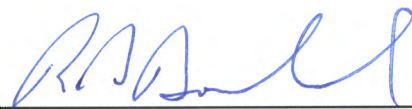
(C) Based on the foregoing, the Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. **THAT** pursuant to section 66(1) of the CFA, the Applicant, once registered as a Futures Commission Merchant under The Commodity Futures Act, is exempt from Section 3.17 of the Rule, which would otherwise require it to become a member of a registered exchange.

2. **THAT** the fee for this order is \$650.00.

BY ORDER OF THE COMMISSION



Director