

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

DISCLOSURE TO CLIENTS OF DEALER MEMBERS' FINANCIAL POSITION - AMENDMENTS TO DEALER MEMBER  
RULE 1400

TEMPLATE OF A SUMMARY STATEMENT OF FINANCIAL POSITION AND ACCOMPANYING NOTE DISCLOSURES

SUMMARY STATEMENT OF FINANCIAL POSITION

[**Firm Name or Firm Names** (where consolidated regulatory filings and summary consolidated statement of financial position are prepared for wholly owned and "related" Dealer Members)]

As at [Date]

REPORT ON SUMMARY STATEMENT OF FINANCIAL POSITION

**Management's Responsibility for the Summary Statement of Financial Position**

Management is responsible for the preparation of the summary statement of financial position to clients of the Dealer Member in accordance with Dealer Member Rule 1400 (Rule 1400) of the Investment Industry Regulatory Organization of Canada (IIROC).

**Excerpt from Rule 1400**

"1400.1. Each *Dealer Member* shall make available to its clients, on request, a summary statement of its financial position as of the close of its latest financial year and based on the latest annual audited financial statements, provided that in order to prepare such statement, the *Dealer Member* shall have 75 days from the close of such financial year. The term "client", as used in this Rule 1400, shall mean any person who has executed a transaction with a *Dealer Member* within one year of the day on which a request for a summary statement of financial position is made."

**Basis of Accounting and Restriction on Use**

The summary statement of financial position of the Dealer Member is based on financial information from the latest annual IIROC Form 1 of the Dealer Member. IIROC Form 1 is a special purpose report that includes non-consolidated (or consolidated, as indicated by the wholly owned and "related" firm names on the cover page) financial statements and schedules, and is prepared in accordance with International Financial Reporting Standards (IFRS), except as prescribed by IIROC in the General Notes and Definitions to IIROC Form 1. IIROC Form 1 of the Dealer Member is prepared by the Dealer Member and filed with IIROC and the Canadian Investor Protection Fund (CIPF) on the Securities Industry Regulatory Financial Filing System (SIRFF) in order to assist the Dealer Member in demonstrating its solvency to IIROC and CIPF.

The summary statement of financial position is intended solely for the clients of the Dealer Member for the purposes of Rule 1400 and should not be used by parties other than the clients of the Dealer Member for any other purpose. The summary statement of financial position fairly summarizes the non-consolidated (or consolidated, as indicated by the wholly owned and

“related” firm names on the cover page) financial position of the Dealer Member as at the date of its last IIROC Form 1.

[Firm Name or Firm Names (where consolidated regulatory filings and summary consolidated statement of financial position are prepared)]

### SUMMARY STATEMENT OF FINANCIAL POSITION

[stated in thousands of Canadian dollars]

[Year-End Date]

#### ASSETS

##### Liquid assets\*

Cash	1 <sup>1</sup>
Funds deposited in trust	2 and 3
Loans receivable, securities borrowed and resales	6
Securities owned	7 and 8
Due from clients	9
Due from brokers and dealers	10
Other liquid assets	4, 5 and 11
<b>Total liquid assets</b>	<b>12</b>

##### Other assets

Investments in and advances to subsidiaries and affiliates	26 and 27
Other assets	13 through 17, 19 through 25, 28 and 30
<b>Total other assets</b>	<b>18, 29 and 30</b>

**Total Assets** 31

#### LIABILITIES AND FINANCIAL STATEMENT CAPITAL

##### Current liabilities

Overdrafts, loans, securities loaned and repurchases	51
Securities sold short	52
Due to clients	53
Due to brokers and dealers	54
Other liabilities	55 through 60
<b>Total current liabilities</b>	<b>61</b>

##### Non-current liabilities

Subordinated loans**	67
Other non-current liabilities	62 through 66

---

<sup>1</sup> The numbers represent the line numbers of the IIROC Form 1 statement of financial position where the figures will be taken from.

<b>Total non-current liabilities</b>	68
<b>Total liabilities</b>	69
<b>Financial statement capital</b>	
Issued capital, reserves and retained earnings**	70, 71 and 72
<b>Total financial statement capital</b>	73
<b>Total liabilities and financial statement capital</b>	74

\* Liquid assets is a regulatory asset category specific to IIROC and assets under this category are considered to be most liquid for regulatory purposes

\*\* Subordinated loans, issued capital, reserves and retained earnings are treated as regulatory capital invested in the business

#### **Chief Financial Officer's Certification of the Summary Statement**

I certify that this summary statement of financial position of **[Firm Name or Firm Names]** is based on and printed from the Dealer Member's sourced last IIROC Form 1 filing to IIROC and CIPF on SIRFF.

---

(Chief Financial Officer)

---

(date)