

Headnote:

Application for an exemption from the requirements in subsections 22(1) and (2) of the Securities Rules to establish and maintain a business office in Nova Scotia with a resident manager and in subsections 30(5) and (6) of the Securities Rules to maintain books and records in Nova Scotia –An investment dealer operating out of the United States with no office anywhere in Canada seeks an exemption from the residency requirements– The registrant is a member in good standing with the Investment Industry Regulatory Organization of Canada and will be subject to its requirements and the requirements of governing law in the United States

Applicable legislative provisions

General Securities Rules, previously the Securities Regulations, subsections 20(2) and 22(1) and (2) and 30(5) and (6)

**IN THE MATTER OF THE
SECURITIES ACT, R.S.N.S. 1989, C. 418, as amended
(the “Act”)**

AND

**IN THE MATTER OF
thinkorswim Canada Inc.**

**RULING
(Subsection 20(2) of the Securities Rules)**

WHEREAS an application has been made to the Nova Scotia Securities Commission (the “Commission”) by thinkorswim Canada Inc. (the “Company”) for a ruling pursuant to subsection 20(2) of the rules of the Commission deemed by subsection 150A(9) of the Act to have been made pursuant to section 150 of the Act (the “Securities Rules”) exempting the Company from the requirements in subsections 22(1) and (2) of the Securities Rules to establish and maintain a business office in Nova Scotia with a resident manager and in subsections 30(5) and (6) of the Securities Rules to maintain books and records in Nova Scotia in connection with the registration of the Company as an investment dealer under the Act;

AND WHEREAS the Commission has considered the application and the recommendation of Commission staff;

AND WHEREAS the Company has represented to the Commission that:

1. the Company is incorporated under the laws of New Brunswick;
2. the Company is headquartered at 600 W. Chicago Ave., Suite 100, Chicago, IL. USA 60654-2597. It is not registered to do business in the United States (“US”) in any capacity. An affiliate, thinkorswim Inc., is a registered broker dealer in the US and its primary regulator is the Financial Industry Regulatory Authority (“FINRA”). thinkorswim Inc. is located at the same address;
3. in Canada, the Company is a member in good standing as an investment dealer with the Investment Industry Regulatory Organization of Canada (“IIROC”);
4. in Canada, the Company is currently registered in good standing as an investment dealer in Ontario, British Columbia, Alberta, Manitoba, Saskatchewan and New Brunswick;
5. all partners, directors, officers and investment representatives of the Company who seek registration or are required to be registered in Nova Scotia are currently registered with the IIROC and three are registered in the US under thinkorswim Inc. in relation to that company’s registration as a broker dealer in the US;
6. the Company is a non-resident of Canada and as such does not maintain a business office from which it provides online brokerage nor financial records anywhere in Canada;
7. the Company is a Type II suitability exempt online introducing broker providing trade execution services only in Ontario, British Columbia, Alberta, Manitoba, Saskatchewan and New Brunswick. It wishes to provide similar services to clients in Nova Scotia. Penson Financial Services Canada is the carrying broker;
8. the Company has applied to the Director of Securities (the “Director”) for registration under the Act as an investment dealer;
9. the services provided by the Company to residents of Nova Scotia will be execution only of US and Canadian stocks and options; and
10. the Company has made the necessary arrangements which will enable it to comply with the statutory and other obligations to its clients in Nova Scotia. Services will be provided to Company clients through the head office located in Chicago, IL. Supervision of all the Company’s clients in Nova Scotia will be provided by a Canadian registered Chief Compliance Officer.

AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 20(2) of the Securities Rules that the Company is exempted from the requirements in subsections 22(1) and (2) of the Securities Rules to establish and maintain a business office in Nova Scotia with a resident manager and in subsections 30(5) and (6) of the Securities Rules to maintain books and records in Nova Scotia in connection with the registration of the Company as an investment dealer under the Act provided that:

1. the Company is a member in good standing of the IIROC;
2. the securities, funds and other assets of Nova Scotia resident clients of the Company, insofar as those securities, funds and other assets relate to trading done by the Company, are held in such a manner as the Director may specify when the Director considers it appropriate to so specify;
3. all partners, directors, officers and investment representatives of the Company who seek registration or are required to be registered in Nova Scotia are registered with the IIROC and the individuals registered in the US under thinkorswim Inc. are registered in the US in relation to that company's registration as a broker dealer in the US;
4. the Company promptly notifies the Director if there are terms, conditions or restrictions imposed at any time on the registration of the Company or its partners, directors, officers and investment representatives who are registered in Nova Scotia by the IIROC or in the US by FINRA or if the IIROC or FINRA reprimands at any time any of those registrants;
5. the Company promptly notifies the Director if it establishes an office in Nova Scotia or employs a Nova Scotia resident;
6. the Company:
 - (a) files a duly executed submission to jurisdiction and appointment of agent for service of process substantially in the form attached as Appendix A to the Commission's Blanket Order No. 31-504 ("**BO 31-504**"); and
 - (b) advises each Nova Scotia resident client of the name and address of the agent so appointed from time to time;
7. the Company files with the Director such reports relating to its trading activities with respect to its Nova Scotia resident clients as the Director may require from time to time;
8. the Company maintains the books and records which would otherwise be required to be maintained in Nova Scotia pursuant to subsection 30(6)

of the Securities Rules at a business office in a jurisdiction satisfactory to the Director;

9. the Company files with the Director a written undertaking substantially in the form attached as Appendix B to BO 31-504 and complies with the undertaking; and
10. the Company agrees to the imposition of any additional conditions of registration that arise from any policies or rules adopted by the Commission regarding non-resident dealers.

DATED at Halifax, Nova Scotia, this 20th day of August, 2008.

“H. Leslie O’Brien”
H. Leslie O’Brien

“R. Daren Baxter”
R. Daren Baxter