

Case Study

Canadian broker, Brockhouse Cooper, becomes the London Stock Exchange's first North American member - a key step in its expansion strategy



Brockhouse & Cooper Inc. is a global investment broking and consulting firm based in Montreal, Canada. Established in 1968, it boasts over 180 institutional trading clients worldwide. The company operates a 24 hour centralised dealing desk that actively trades in over 40 markets worldwide, as well as a dedicated transition management team providing transition services to institutional plan sponsors in Canada, the United States and Southern Africa. With a subsidiary in the US and an affiliated company, Brockhouse Cooper SA (Pty) Ltd in South Africa, the company has 65 employees globally.

Brockhouse Cooper recently became a member of the London Stock Exchange (the Exchange). By working in partnership with the Exchange and the Autorité des marchés financiers, the regulatory body for Québec's financial sector, Brockhouse Cooper challenged the status quo and went live as the first ever remote, Canadian based member of the Exchange in 2004. Here, Richard Cooper, President, Ralph Loader, Chief Executive Officer and Howard Messias, Chief Financial & Compliance Officer at Brockhouse Cooper detail their experience of becoming a member.

Why the London Stock Exchange?

With huge growth potential in the UK market for its equity trading, transition management and consulting businesses, Brockhouse Cooper saw Exchange membership as a fundamental step in its expansion plans. The firm had initially thought opening an office in the UK was the only way to achieve direct Exchange membership. However, after discussions with the Exchange, the firm realised it had another option: remote membership.



Julian Allen-Ellis, Head of Membership for the Exchange, understands the drivers for companies to become members of the Exchange: "We are committed to offering international customers direct access to the Exchange. Membership of our Exchange has become increasingly relevant as our customers are under mounting pressure to reduce trading costs and increase transparency."

Success through partnership

Brockhouse Cooper's decision to become a member of the Exchange required that the Exchange be properly authorised in Québec. "We were breaking new ground. There was no precedent for our membership. It is testament to the Exchange's and our regulators' depth of understanding and professionalism that they were able to help facilitate this process," said Richard Cooper.


The actual process of connecting to the Exchange was efficient and straightforward. "It took just a few weeks. The Membership Team made sure that our application was a single occurrence and, as a result, there was no need to go back and forth with paperwork. The process was as simple for us as it is for UK brokers," said Howard Messias.

Julian Allen-Ellis believes that the Exchange's focus on customer service during the consultation process explains why the Exchange and London are so attractive to potential members: "The Exchange is focused on helping as many new members access our market as possible. Part of our mission is to develop the international network of the Exchange and increase the liquidity of the market as a whole. Authorising membership for Brockhouse Cooper, our first ever Canadian broker, was a key development in our strategy."

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Ralph Loader, Chief Executive Officer, Brockhouse Cooper





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Howard Messias, Chief Financial & Compliance Officer,
Brockhouse Cooper

Trading services

Since the major focus of its business is equities, Brockhouse Cooper will be trading on: SETS, the Exchange’s blue chip trading service for UK equities; SEAQ, the service for the most liquid AIM equities based on two-way continuous quotes; and, the International Order Book (IOB) which is the market for trading liquid depository receipts. “Trading directly using the Exchange’s services is core to us realising substantial savings in commissions,” said Howard Messias.

Key benefits

Exchange membership enables Brockhouse Cooper to serve its clients even better than before. With direct access to the Exchange’s markets, Brockhouse Cooper can deliver best execution, provide live-time fills and achieve greater cost efficiency.

In order to grow its UK business, Brockhouse Cooper will be promoting the resultant benefits of its Exchange membership to prospective clients through its sales staff. “Our London membership is central to our growth strategy in the US, the UK and other global markets and our sales people will be using the strength of the London Stock Exchange brand as part of their sales process,” said Ralph Loader.

Next Steps

Brockhouse Cooper sees a spectrum of new opportunities following its membership with the Exchange. It may now consider opening an office in the UK to expand its transition management and

consulting business, and plans to conduct a sales tour of the UK and Ireland, promoting its business in the market.


“Our sales team is looking forward to promoting our Exchange membership. The Exchange’s robust, proven technology means that our clients can take advantage of the best trading systems in the world, and achieve direct access to the London market. With this combination, we can now grow the number of our trading relationships, particularly with investment managers in the US,” states Richard Cooper.

Growing the international community

The Exchange’s key objective is to compete globally and become the financial market of choice. Central to this is attracting new members from all over the world in order to grow the levels of liquidity in the market. This international outlook means that working with regulatory bodies to open the market to new members is essential. The synergy that the Exchange and the regulatory bodies in Québec achieved to facilitate Brockhouse Cooper’s direct trading in London is testament to the Exchange’s commitment to the internationalisation of the equity market.

Richard Cooper is keen to realise the competitive advantage of trading directly with London.

“Working with an organisation like the Exchange puts us on a par with competitors in London and means we can grow our business to compete with the largest firms of our kind in the UK,” he concludes.



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Richard Cooper, President, Brockhouse Cooper