

2003 BCSECCOM 319

Notice of Hearing

Bank of Montreal

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 A hearing will be held (the Hearing) to give the Bank of Montreal (the Bank) an opportunity to be heard before the British Columbia Securities Commission considers whether it is in the public interest to make the following orders:
1. under section 161(1)(a) of the Act, that the Bank comply with Directions to Freeze Property issued by the Commission under section 151 of the *Securities Act*, RSBC 1996, c. 418;
 2. under section 174 of the Act, that the Bank pay prescribed fees or charges for the costs of or related to the hearing; and
 3. to make any other orders that the Commission considers appropriate in the circumstances.
- ¶ 2 The Commission will be asked to consider the following facts and allegations in making its determinations:
1. The Bank is a Canadian chartered bank and a reporting issuer under the Act. The Bank engages in the business of taking deposits, lending funds, and providing other financial services.
 2. The Commission issued Directions to Freeze Property under section 151 of the Act on April 13 (COR# 00/099) and 27 (COR# 00/109) and May 5 (COR #00/117) and 12, 2000 (COR# 00/119)(collectively the Freeze Orders).
 3. The Freeze Orders, among other things, required the branch of the Bank located at 595 Burrard Street, Vancouver, British Columbia to hold any funds which it had on deposit for the Exchange Bank & Trust (EBT Account #1).
 4. At its own initiative and without informing the Commission, the Bank opened a second account in the name of Exchange Bank & Trust (EBT Account #2).
 5. Since September 1, 2000 the Bank has deposited accrued interest generated by EBT Account #1 into EBT Account #2.

2003 BCSECCOM 319

6. While the Freeze Orders have been in force, the Bank has deducted from EBT Account #2 certain expenses it claims it has incurred from June 2000 forward as a result of operating EBT Account #1.
7. As of March 31, 2003, the Bank has deducted approximately US \$91,985.14 from EBT Account #2.

Act Contrary to the Public Interest

8. The Bank acted contrary to the public interest by removing funds from EBT Account #1 and EBT Account #2 that were subject to the Freeze Orders.
- ¶ 3 The Bank may be represented by counsel at the Hearing and may make representations and lead evidence. A representative of the Bank is requested to advise the Commission of their intention to attend the Hearing by informing the Commission Secretary at P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC, V7Y 1L2; phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 4 A representative of the Bank is required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Wednesday, May 21, 2003 at 9:30 am if he or she wishes to be heard before the Commission sets a date for the Hearing.
- ¶ 5 Determinations may be made in this matter if the Bank or its counsel do not appear at the Hearing.
- ¶ 6 May 13, 2003
- “Stephen J. Wilson”
- ¶ 7 Stephen J. Wilson
Executive Director