

2002 BCSECCOM 118

IN THE MATTER OF THE SECURITIES ACT
R.S.B.C. 1996, c. 418

AND

IN THE MATTER OF GLOBAL SECURITIES INC.,
IPO CAPITAL CORP.,
NATIONAL BANK FINANCIAL INC., AND
THOMSON KERNAGHAN & CO. LIMITED
(THE REGISTRANTS)

Settlement Agreement

[para 1]

1. The following settlement of issues has been reached between the Registrants and the Executive Director.

Agreed Statement of Facts

[para 2]

2. Solely for securities regulatory purposes in British Columbia and elsewhere, and as the basis for the undertakings referred to in paragraph 3 of this Settlement Agreement (the Agreement), each Registrant acknowledges the following facts as correct:

2.1 The Registrants are registered under the *Securities Act*, R.S.B.C. 1996, c. 418 (the *Act*) with the British Columbia Securities Commission (the Commission) as investment dealers and are members of the Investment Dealers Association of Canada (the IDA). The Registrants are also registered under the securities legislation of other jurisdictions in Canada.

2.2 Thermo Tech Technologies Inc. (the Issuer) is incorporated under the *Canada Business Corporations Act* and is a reporting issuer under the *Act*. The Issuer is not a reporting issuer in any other jurisdiction in Canada.

2.3 The shares of the Issuer were traded in the United States on the NASD Over-the-Counter Bulletin Board until December 5, 2001, when it was delisted, and currently the shares are quoted on the Pink Sheets Electronic Quotation Service. The shares of the Issuer are not traded or quoted on any Canadian exchange or market.

2.4 On July 14, 1999, Staff of the Commission (the Staff) issued a cease trade order (the Order) under section 164 of the *Act* that all persons in British Columbia cease trading in the securities of the Issuer.

2.5 The Order was made public in the Commission's Weekly Summary for the week ending July 16, 1999.

2.6 On February 16, 2000, Staff issued an order under section 171 of the *Act* varying the Order to permit, subject to its limitations, British Columbia residents to sell securities of the Issuer that were acquired on or before July 14, 1999 (the Partial Revocation Order).

2002 BCSECCOM 118

2.7 The Partial Revocation Order was made public in the Commission's Weekly Summary for the week ending February 18, 2000.

2.8 During the period in which trading in the securities of the Issuer was prohibited or restricted, as a result of deficiencies in their internal systems the Registrants, and in certain cases their affiliates, executed trades in securities of the Issuer on behalf of their clients contrary to the Order and the Partial Revocation Order.

2.9 At no time has any securities regulatory authority other than the Commission issued an order prohibiting or restricting trading in securities of the Issuer.

2.10 At no time since July 14, 1999, other than on December 5, 2001, when the Issuer was delisted from the NASD Over-the-Counter Bulletin Board, has any exchange or other market halted or otherwise restricted trading in securities of the Issuer.

Undertaking

[para 3]

3.1 Each of the Registrants undertakes that, within 12 months of the date of this Agreement, it will develop and implement, with the assistance of the Commission to the extent necessary, either (a) an interface between a Commission database listing cease trade orders and related revocation and variation orders (the CTO's) and the order management system used by the Registrant, or (b) another process that informs the Registrant of outstanding CTO's on a current basis.

3.2 The Registrants undertake to pay to the Commission \$26,475.34 as follows:

3.2.1 \$8,000.00 to be retained by the Commission as a contribution towards the costs of the investigation; and

3.2.2 the balance to be used by the Commission at its discretion to assist in the development and implementation of the process referred to in section 3.1.

Waiver

[para 4]

4. The Registrants waive any right they may have, under the *Act* or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this Agreement.

2002 BCSECCOM 118

Signature in Counterpart

[para 5]

5. The Registrants and the Executive Director agree that this Agreement may be signed in counterpart.

DATED at Vancouver, on January 21, 2002.

GLOBAL SECURITIES INC.

Per: _____
Authorized Signature

Capacity: _____

Witness Signature

Ashley Wray

Witness Name (Please Print)

c/o 100-595 Burrard St, Vancouver BC V7X 1C4
Address

Office Manager

Occupation

2002 BCSECCOM 118

DATED at Vancouver, on January 21, 2002.

IPO CAPITAL CORP.

Per: _____
Authorized Signature

Capacity: _____

Witness Signature

Louise Salmon
Witness Name (Please Print)

#320-5800 Andrews Rd, Richmond BC
Address

Operation Manager
Occupation

DATED at Montreal on January 24, 2002.

NATIONAL BANK FINANCIAL INC.

Per: _____
Authorized Signature

Capacity: _____

Witness Signature

France La Rochelle
Witness Name (Please Print)

1155 Metcalfe, Montreal
Address

Manager, Legal Affairs
Occupation

2002 BCSECCOM 118

DATED at Toronto, Ontario, on January 23, 2002.

THOMSON KERNAGHAN & CO. LIMITED

Per: _____
Authorized Signature

Capacity: _____

Witness Signature

Ford Vance
Witness Name (Please Print)

9490 Sheppard Ave. East Toronto, ON M1B 5Z4
Address

Compliance Officer
Occupation

DATED at Vancouver, British Columbia, on January 31, 2002.

Steve Wilson
Executive Director