

2002 BCSECCOM 121

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

AND

IN THE MATTER OF KENNETH MURRAY KEATING

Settlement Agreement

[para 1]

1. The following settlement of issues has been reached between Kenneth Murray Keating ("Keating") and the Executive Director.

Agreed Statement of Facts

[para 2]

2. As the basis for the undertaking and orders referred to in paragraphs 4 and 5 of this settlement, Keating acknowledges the following facts as correct:

2.1 International Parkside Products Inc. ("International Parkside") was incorporated in British Columbia on May 18, 1983 pursuant to the *Company Act*, R.S.B.C. 1996, c. 62 and became a reporting issuer under the *Securities Act*, R.S.B.C. 1996, c. 418 (the "*Act*") on February 3, 1995. The shares of International Parkside were listed on the Vancouver Stock Exchange and are currently listed on the Canadian Venture Exchange;

2.2 Keating was the president and a director of International Parkside from October 18, 1991 to January 10, 2001;

2.3 During the period between December 1, 1997 and November 30, 1999 (the "Relevant Period"), Keating traded in eleven brokerage accounts at seven registrants in British Columbia (the "Accounts"). Two of the Accounts were in his name. Nine of the Accounts were in the names of Phoenix Titanium Recovery Corporation, Ryancorp Management Ltd. or P.T.R. Corp. but Keating had trading authority over them;

2.4 During the Relevant Period Keating engaged in 105 wash trades. A wash trade is a transfer between accounts with no change in beneficial ownership;

2.5 The operation of the Accounts during the Relevant Period resulted in a misleading appearance of trading activity and was contrary to the public interest; and

2.6 During the Relevant Period, Keating failed to file insider reports for 185 trades in shares of International Parkside. By failing to file insider reports disclosing his direct or indirect beneficial ownership of, control or direction over the securities of International Parkside, Keating acted contrary to section 87(4) of the *Act*.

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Mitigating Factors

[para 3]

3. The Executive Director has taken into account the following facts as factors mitigating the sanctions which would otherwise have applied in the public interest:

- 3.1 Keating resigned as an officer and director of International Parkside on January 10, 2001;
- 3.2 Keating does not appear to have personally gained or profited from his trading activity;
and
- 3.3 Keating has co-operated with Commission staff during its investigation.

Undertaking

[para 4]

4. Keating undertakes to do the following:

- 4.1 to pay to the British Columbia Securities Commission the sum of \$12,500 of which \$2,500 represents costs of the investigation.

Order

[para 5]

5. Keating consents to an order by the Executive Director (the "Order") that:

- 5.1 under section 161(1)(d) of the *Act*, Keating is prohibited from becoming or acting as a director or officer of any reporting issuer for a period ending 5 years from the date of the Order;
and
- 5.2 under section 161(1)(c) of the *Act*, the exemptions described in sections 44-47, 74, 75, 98 or 99 of the *Act* do not apply to Keating for a period ending 5 years from the date of the Order;
 - 5.2.1 except that Keating may rely on the exemption in section 45(2)(7) of the *Act* for trading in his own account, through one registered dealer.

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Waiver

[para 6]

6. Keating waives any right he 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 Settlement Agreement.

[para 7]

Dated at Vancouver, British Columbia, on January 29, 2002.

"Kenneth Murray Keating"
Kenneth Murray Keating

"H. R. Anderson")
Witness Signature)
)
H. Roderick Anderson)
Witness Name (please print))

Suite 607 - 808 Nelson Street)
Vancouver, BC V6Z 2H2)
Address)
Barrister and Solicitor)
Occupation)

Dated at Vancouver, British Columbia, on January 29, 2002.

Steve Wilson
Executive Director