

2002 BCSECCOM 785

Settlement Agreement

Germain Carrière

Securities Act, RSBC 1996, c. 418

- ¶ 1 The following settlement of issues has been reached between Germain Carrière (Carrière) and the Executive Director.

Agreed Statement of Facts

- ¶ 2 As the basis for the undertaking referred to in this settlement, Carrière acknowledges the following facts as correct:

The Parties

1. Carrière has been a member of the Board of Directors and member of the Executive Committee of the Board of Directors of Pacific International Securities Inc. (Pacific International) from May 1998, until the present. He is the President and Chief Operating Officer of Individual Investor Services of National Bank Financial Ltd., which holds an equity interest in Pacific International.
2. Pacific International is a broker and investment dealer with its head office in Vancouver, British Columbia. It has been a member of the Vancouver Stock Exchange (the VSE), the Canadian Venture Exchange Inc., and now the Toronto Venture Exchange, since October 1981, and a member of the Investment Dealers Association of Canada (the IDA) since June 1987.

Activity at Pacific International

3. As a director from May 1998, and a member of the Executive Committee, Carrière acknowledges he had a duty to ensure that Pacific International established and applied adequate compliance procedures for dealing with clients, including procedures to ensure the flow of necessary information to the Executive Committee so that compliance decisions could be made on an informed basis.
4. Carrière acknowledges that based on events that took place while he was a member of the Executive Committee, he became aware of certain deficiencies in Pacific International's compliance procedures with respect to trading which took place in the U.S. market for non-resident clients, specifically the Over-the-Counter Bulletin Board run by the National Association of Securities Dealers.

2002 BCSECCOM 785

5. Carrière acknowledges that the deficiencies in the compliance procedures and some of the trading that took place at Pacific International harmed the reputation of the capital markets in British Columbia.

Mitigating Factors

- ¶ 3 Carrière represents and the Executive Director has accepted that the following factors mitigate the sanctions which may otherwise have applied in the public interest:
1. Carrière was a director and member of the Executive Committee of Pacific International only from May 1998. Major efforts to reform Pacific International's compliance procedures were undertaken beginning in June 1999.
 2. Carrière relied upon the due diligence report obtained by National Bank Financial and the information from the VSE that Pacific International was a compliant firm.
 3. Carrière was an outside director and not an employee or officer of Pacific International.
 4. Beginning in or about June 1999, Carrière took a leading role in a review and reform of Pacific International's compliance procedures.

Undertaking

- ¶ 4 Carrière undertakes to do the following:
1. to comply fully with the Act, Rules, and applicable regulations;
 2. to pay to the British Columbia Securities Commission the sum of \$5,000, \$4,000 of which represents a contribution towards investigative costs; and
 3. not to say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

2002 BCSECCOM 785

Waiver

- ¶ 5 Carrière 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.

Execution of Settlement Agreement

- ¶ 6 This Settlement Agreement may be signed in one or more counterparts, which together, shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

- ¶ 7 September 6th, 2002

- ¶ 8 “G. Carrière”
Germain Carrière

“Marguerite Fradette”)
Witness Signature)
Marguerite Fradette)
Witness Name (please print))
_____)
_____)
Address)
_____)
Occupation)

- ¶ 9 September 6, 2002

- ¶ 10 Steve Wilson
Executive Director