

2003 BCSECCOM 700

Settlement Agreement

USC Education Savings Plans Inc.

Securities Act, RSBC 1996, c. 418

- ¶ 1 The following settlement of issues has been reached between USC Education Savings Plans Inc. (USC) and the Executive Director.

Agreed Statement of Facts

- ¶ 2 Solely for securities regulatory purposes in British Columbia (BC) and elsewhere, and as the basis for the undertakings and orders referred to in this settlement, USC acknowledges the following facts as correct:
1. USC is a wholly owned subsidiary of The International Scholarship Foundation, and has been registered as an extra-provincial corporation in BC since November 21, 1997. It is not a reporting issuer under the Securities Act, RSBC 1996, c.418 (*Act*).
 2. USC has been registered under the *Act* as a Scholarship Plan Dealer since May 1, 1981.
 3. On November 18, 2001, the registration of a USC Registered Education Savings Plan (RESP) salesperson lapsed. Scholarship trust plan units were sold by USC before the registration of the responsible salesperson was renewed.
 4. On December 3, 2001, staff of the BC Securities Commission (Staff) sent a letter to USC recommending that they consider implementing procedures to ensure that all registrations for BC registered salespersons remain current, that any employee whose registration has lapsed is prevented from engaging in trading, and cautioned USC that any further unregistered trading may result in administrative action being taken against the firm.
 5. On November 30, 2002, the registration of two USC RESP salespeople lapsed. Scholarship trust plan units were sold by USC before the registrations of the responsible salespeople were renewed.
 6. On January 14, 2003, Staff sent a letter to USC indicating that future instances of unregistered trading by any USC salespeople might result in further administrative action being taken against USC.
 7. On December 31, 2002, the registration of seven USC RESP salespeople lapsed. Scholarship trust plan units were sold to clients of four of the

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USC salespeople before the registration of the responsible salespeople were renewed.

8. Trades in Scholarship trust plan units by an unregistered salesperson is contrary to section 34 of the *Act*.

Undertaking

- ¶ 3 USC undertakes to do the following:
1. pay to the Commission the sum of \$10,000 of which \$1,500 represents costs relating to the investigation; and
 2. comply with the provisions of the *Act* and Securities Rules, B.C. Reg. 194/97, from the date of this Settlement Agreement (SA); and
 3. not to say anything, in writing or orally, which contradicts the terms of this SA or call those terms into question.

Order

- ¶ 4 USC consents to an Order by the Executive Director that under section 161(1)(f) of the *Act*, it is reprimanded.

Waiver

- ¶ 5 USC waives any right it 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.
- ¶ 6 October 15, 2003.

- ¶ 7 _____)
USC Education Savings Plans Inc.)
_____)
Witness Signature)
_____)
Witness Name (please print))
Stacey Reddick)
#1100 – 701 West Georgia Street)
Vancouver, BC V7Y 1L2)
Address)
_____)
Occupation)

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¶ 8 October 16, 2003.

¶ 9 Steve Wilson
Executive Director