

2004 BCSECCOM 452

Settlement Agreement

Glen Harvey Harper

Securities Act, RSBC 1996, c. 418

¶ 1 The Executive Director has settled the following issues with Glen Harvey Harper (Harper).

Agreed Statement of Facts

¶ 2 As the basis for the undertakings and orders referred to in this settlement, Harper acknowledges the following facts as correct:

1. Harper resides in Alberta. He was a founder of Golden Rule Resources Inc. (Golden Rule), a Calgary-based reporting issuer in Alberta, British Columbia and Ontario. During the period from January to May 1997 (the Relevant Period), securities of Golden Rule traded on the Toronto Stock Exchange (the TSE). Harper was a director and the president of Golden Rule during the Relevant Period.
2. In March 1999, Harper was charged with two counts of insider trading under sections 76(1) and 122(1)(c) of the *Securities Act*, R.S.O 1990, c. S-5 (the OSA).
3. On July 21, 2000, following a trial, he was found guilty of both counts. On September 18, 2000, he was sentenced to one year of imprisonment and a fine of \$1.99 million on the first count, and one concurrent year of imprisonment and a fine of \$1.95 million on the second count.
4. On appeal, Harper's sentence was reduced to 6 months imprisonment and a \$1 million fine on each count. All rights of appeal have now been exhausted.
5. On January 12, 2004, the Ontario Securities Commission (OSC) staff issued a Notice of Hearing against Harper for the same misconduct. On April 8, 2004, following a hearing, the OSC prohibited Harper from becoming or acting as a director or officer of any reporting issuer in Ontario for 15 years. The OSC also ordered Harper to cease trading in any securities for 15 years, except for debt securities, securities of issuers with a large market capitalization, and securities of non-reporting issuers. The OSC also gave Harper 90 days to dispose of securities he owned at the date of the order.

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6. On June 10, 2004, the Alberta Securities Commission issued a decision that recited the above facts and imposed substantially the same sanctions as the OSC.

Public Interest

7. Harper acted contrary to the public interest in British Columbia because Golden Rule was a reporting issuer in British Columbia and residents of this Province could trade in securities of Golden Rule through the facilities of the TSE.

Undertakings

- ¶ 3 Harper undertakes not to say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

Orders

- ¶ 4 Harper consents to an order by the Executive Director that until April 7, 2019:
 1. under section 161(1)(b) of the *Securities Act*, RSBC 1996, c. 418 (the Act), Harper will cease trading in all securities, except Harper may trade:
 - a) for his own account or any account in which he or he and his wife have the only beneficial interest (including any RRSP account):
 - i) in debt securities,
 - ii) in securities of reporting issuers whose market capitalization exceeds \$500 million at the time of acquisition, and
 - iii) in securities of any issuer that is not a reporting issuer,
 - b) for 90 days from the date of this order to dispose of securities owned at the date of this order by him or his RRSPs, and
 2. under section 161(1)(d) of the Act, Harper is prohibited from becoming or acting as a director or officer of any reporting issuer.

Waiver

- ¶ 5 Harper waives any right he may have, under the Act or otherwise, to a hearing,

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hearing and review, judicial review or appeal related to, in connection with, or incidental to this Settlement Agreement.

¶ 6 July 26, 2004

“Glen Harvey Harper”

¶ 7 Glen Harvey Harper

¶ 8

Witness Signature

“Doug McCartney”

Witness

Doug McCartney

Name

404, 103-10 Ave NW, Calgary AB, T2M
0B4

Address

Lawyer

Occupation

¶ 9 July 28, 2004

“Stephen J. Wilson”

¶ 10 Stephen J. Wilson
Executive Director