

# 2004 BCSECCOM 720

## Settlement Agreement

### Jarislowsky, Fraser Limited

#### *Securities Act, RSBC 1996, c. 418*

- ¶ 1 The following settlement of issues has been reached between Jarislowsky, Fraser Limited (JFL) and the Executive Director.

#### **Agreed Statement of Facts**

- ¶ 2 Solely for securities regulatory purposes in British Columbia and elsewhere, and as the basis for the undertakings and orders referred to in this settlement, JFL acknowledges the following facts as correct:
1. JFL is and throughout the period in question was registered as an investment counsel and portfolio manager in Quebec and Ontario and is registered as an advisor under the *US Investment Advisors Act* of 1940.
  2. JFL was not registered in any capacity under the *Securities Act, RSBC 1996, c. 418*, until August 18, 2004.
  3. On August 18, 2004 JFL was registered under the Act as a portfolio manager and investment counsel.
  4. From May 16, 1991 to August 17, 2004, JFL opened and serviced accounts of as many as 43 BC residents for the purposes of advising in securities.
  5. By advising on behalf of BC residents, without being registered in BC to do so, or being able to rely upon any exemption from the registration requirements of the Act, JFL breached section 34 of the Act.

#### **Mitigating Factors**

- ¶ 3 The Executive Director has taken into account the following factors as mitigating the sanctions which might otherwise have applied in the public interest:
1. Staff of the Commission is not aware of any complaints having been made by JFL's BC resident clients.
  2. JFL does not have a previous regulatory history with the Commission.
  3. JFL actively cooperated with staff of the Commission during the course of the investigation of this matter.

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### **Undertaking**

¶ 4 JFL undertakes:

1. to pay \$235,850 to the British Columbia Securities Commission, which includes:
  - (a) \$35,850 in registration fees that JFL would have had to pay to operate in BC had it properly registered;
  - (b) \$195,000 as a payment to the BCSC Education Fund for breaching the Act, as indicated in part 2, paragraph 5 of this settlement; and
  - (c) \$5,000 as a contribution towards the costs of the investigation;
2. to provide evidence, in a timely fashion and in a form acceptable to the Executive Director, that JFL has a credible registration compliance system in place;
3. to comply with the provisions of the Act and *Securities Rules*, B.C. Reg. 194/97, and all applicable regulations, policies, and guidelines; and
4. not to say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

### **Order**

¶ 5 JFL consents to an Order by the Executive Director under section 161(1)(f) of the Act, that it be reprimanded.

### **Waiver**

¶ 6 JFL 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.

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¶ 7 December 14, 2004.

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Jarislowsky, Fraser Limited )  
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Witness Signature )  
 )  
Erin O'Brien )  
Witness Name (please print) )  
1010 Sherbrooke Street West #2005 )  
Montreal, Quebec H3A 2R7 )  
Address )  
Compliance Officer, Jarislowsky, Fraser Limited )  
Occupation )

¶ 9 December 16, 2004.

¶ 10 Brenda Leong  
Executive Director