

2005 BCSECCOM 449

Settlement Agreement

Martin, Lucas & Seagram Ltd.

Securities Act, RSBC 1996, c. 418

- ¶ 1 Martin, Lucas & Seagram Ltd. (ML & S) has settled the following issues with the Executive Director.

Statement of Facts

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

1. ML & S is and throughout the period in question was registered as an Investment Counsel and Portfolio Manager in Ontario.
2. On March 24, 2005 ML & S was registered under the *Securities Act*, RSBC 1996, c. 418, as an Investment Counsel and Portfolio Manager.
3. From 1960 to March 23, 2005 (the Period), ML & S opened and serviced accounts for as many as nine British Columbia residents (BC clients) for the purposes of advising in securities.
4. Four of the BC clients were relatives of principals of ML & S.
5. Five of the BC clients became clients of ML & S while residents of Ontario and subsequently moved to BC.
6. By advising on behalf of British Columbia residents, without being registered in British Columbia to do so, or being able to rely upon any exemption from the registration requirements of the Act, ML & S breached section 34 of the Act.

Mitigating Factors

- ¶ 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:
1. Staff of the Commission is not aware of any complaints having been made by ML & S's BC resident clients.

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2. ML & S does not have a previous regulatory history with the Commission.
3. ML & S actively cooperated with staff of the Commission during the course of the investigation of this matter.
4. ML & S did not solicit potential clients in BC.

Undertakings

¶ 4 ML & S undertakes:

1. to pay to the British Columbia Securities Commission the sum of \$135,695, which includes, \$35,695 in registration fees that ML & S would have had to pay to operate in BC had it properly registered;
2. to provide evidence, in a timely fashion and in a form acceptable to the Executive Director, that ML & S has a credible registration compliance system in place; and
3. not to say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

Order

¶ 5 ML & S consents to an order by the Executive Director (the Order) that:

1. under section 161(1)(a) of the Act, ML & S comply fully with the Act, the *Securities Rules*, B.C. Reg. 194/97, and any applicable regulations, policies and guidelines; and
2. under section 161(1)(f) of the Act, that ML & S be reprimanded.

Waiver

¶ 6 ML & S 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.

¶ 7 June 28, 2005.

¶ 8 “John D. Seagram”)
Martin, Lucas & Seagram Ltd.)
)
“Kim Carey”)
Witness Signature)
)

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Kim Carey)
Witness Name (please print))
_____)
_____)
40 King St.W., Scotia Plaza)
Address)
_____)
Legal Assistant)
Occupation)

¶ 9 July 6, 2005.

¶ 10 Brenda M. Leong
Executive Director