

2006 BCSECCOM 702

Settlement Agreement

Wellington Trading Group, S.A.

Securities Act, RSBC 1996, c. 418

- ¶ 1 Wellington Trading Group, S.A. has settled the following issues with the Executive Director.

Agreed Statement of Facts

- ¶ 2 As the basis for the undertakings and orders referred to in this settlement, Wellington acknowledges the following facts as correct:
1. Wellington was incorporated, and is based, in San Jose, Costa Rica. Wellington has no business premises in British Columbia.
 2. Wellington is in the business of providing brokerage services to clients, in connection with the trading of foreign currency and energy options.
 3. From February 17, 2005 to March 20, 2006, 32 residents of British Columbia (the BC Clients) opened accounts with Wellington, for the purpose of trading in foreign currency and energy option contracts (the BC Accounts).
 4. Wellington's brokering activities for British Columbia residents were contrary to 34(1)(a) of the Act, as Wellington has never been registered to trade in any capacity under the Act and none of the exemptions from the registration requirements were available to it.

Mitigating Factors

- ¶ 3 The Executive Director has taken into account the following facts as factors that mitigate the sanctions which would otherwise have applied in the public interest:
1. upon being advised of Commission staff's concern, Wellington immediately posted a notice on its website saying that Wellington's investments were not available to British Columbia residents, and cooperated fully with the investigation of Commission staff; and
 2. Wellington has closed all of the BC Accounts and returned any outstanding credit balances to the BC Clients.

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Undertakings

- ¶ 4 Wellington undertakes to do the following:
1. Wellington will not seek or accept any British Columbia residents as clients;
 2. Wellington will maintain a notice posted on its website stating that British Columbia residents are not eligible to participate in the Wellington investment. The notice will remain on the website for as long as Wellington is in business; and
 3. Wellington will pay \$7,500 to the British Columbia Securities Commission, which is due and payable immediately, without further demand.

Order

- ¶ 5 Wellington consents to an order by the Executive Director (the Order) that:
1. under section 161(1)(a) of the Act Wellington comply fully with the Act, the *Securities Rules*, and any applicable regulations; and
 2. under section 161(1)(b) of the Act Wellington cease trading in and be prohibited from purchasing any securities or exchange contracts for or on behalf of any British Columbia residents, until such time as it is registered under the Act.

Consent to Reciprocal Orders

- ¶ 6 Wellington consents to any securities regulator in Canada relying on the facts admitted in this settlement to make orders against it that are substantially similar to the Order.

Waiver

- ¶ 7 Wellington 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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Counterpart

¶ 8 This Settlement Agreement may be executed in counterpart or by facsimile execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

¶ 9 November 16, 2006

¶ 10 Russell Finkelstein)
Wellington Trading Group, S.A.
(Signing Authority)

Carlos Hernandez)
Witness Signature)
Carlos Hernandez)
Witness Name (please print))
San Jose, Costa Rica)
)
Escazu)
Address)
Attorney At Law)
Occupation)

¶ 11 December 1, 2006

Brenda Leong

¶ 12 Brenda M. Leong
Executive Director