

# 2007 BCSECCOM 362

## Schedule "A" Settlement Agreement

George Stubos

*Securities Act, RSBC 1996, c. 418*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and George Stubos (Stubos) agree as follows:

### **Agreed Statement of Facts**

1. Stubos is a resident of British Columbia. Between September, 2000 and November 18, 2005, Stubos was a director and insider of San Telmo Energy Ltd., formerly San Telmo Resources Ltd. and now Rolling Thunder Exploration Ltd. (San Telmo).
2. San Telmo was a reporting issuer in British Columbia at the relevant times. Its shares traded on the TSX Venture Exchange and the Over-the-Counter Bulletin Board market maintained in the United States of America.

### **Misconduct**

#### **Failure to File Insider Reports**

##### *Stubos' accounts*

3. Stubos had two offshore accounts in his own name at a securities dealer: one account at the Cayman Islands branch (Cayman account), and another at the Bahamas branch (Bahamas account).
4. Stubos acquired San Telmo securities in the Cayman account in September, 2002, and, over the course of April and May 2003, made about eight trades involving about 25,142 San Telmo securities in the Bahamas account. Stubos did not file insider reports in respect of the trades in the Cayman account and Bahamas account (together, the Stubos Accounts).

##### *Patra Financial Group Ltd.*

5. Patra Financial Group Ltd. had two accounts, "A" and "B", at the Bermuda branch of the same securities dealer as the Stubos Accounts (Patra Accounts).
6. Stubos' sister is the beneficial owner of the Patra Accounts.
7. Stubos provided trading instructions for the Patra Accounts.
8. From August, 2002 to July, 2003, Stubos directed about 183 transactions involving 1,707,999 San Telmo securities in the Patra Accounts. Stubos did not file insider reports in respect of these trades.

## 2007 BCSECCOM 362

### *Summary*

9. Between August, 2002 and July, 2003 there were about 191 transactions (both trades and acquisitions) involving about 1,733,141 San Telmo securities worth over CDN \$3.4 million in the Stubos and Patra Accounts.
10. Stubos had direct beneficial ownership of the San Telmo securities in the Stubos Accounts. Stubos exercised direction over the San Telmo securities in the Patra Accounts. Stubos failed to file insider reports for these transactions, contrary to section 87 of the *Securities Act*, RSBC 1996, c. 418 (Act).

### *Public Interest*

11. Stubos acted contrary to the public interest by engaging in the conduct set out above.

### *Undertakings*

12. Stubos undertakes to pay \$20,000 to the British Columbia Securities Commission in respect of settlement of this matter which sum is due and payable immediately without further demand.

### **Order**

¶ 2 The Executive Director will issue an order (the Order) that:

1. under section 161(1)(a) of the Act, Stubos will:
  - (a) comply fully with the Act, the *Securities Rules*, BC Reg. 194/97, and any applicable regulations; and
  - (b) file insider reports to correct the omissions detailed in this settlement agreement and pay the applicable late filing fees;
2. under section 161(1)(b) of the Act, Stubos will cease trading in and be prohibited from purchasing any securities for a period of two years from the date of the Order, except that Stubos may:
  - (a) purchase or trade securities in one account registered in the name of Prominex Financial Services Inc. (Prominex) held with a registered dealer provided that Stubos delivers a copy of the Order to the registered dealer prior to trading or purchasing any securities; and
  - (b) sell securities in accounts registered in his name held with a registered dealer

## 2007 BCSECCOM 362

for a period of 14 days from the at the date of the Order, subject to the following conditions:

- (i) that before any such sale of securities takes place, Stubos will deliver to the registered dealer a copy of this Order; and
  - (ii) that Stubos will instruct the registered dealer to provide the Executive Director with a copy of the confirmation slip evidencing the sale of securities within four days of the date of their sale; and
3. under section 161(1)(d)(i) of the Act, Stubos resign any position he holds as a director or officer of any issuer and is prohibited from becoming or acting as a director or officer of any issuer for the later of:
  - (a) two years from the date of the Order; and
  - (b) the date Stubos files insider reports to correct the omissions detailed in this settlement agreement and pays the applicable late filing fees; and
  - (c) the date Stubos successfully completes a course of study satisfactory to the Executive Director concerning the duties and responsibilities of directors and officers,

except that Stubos may be a director or officer of Prominex and Stubos Holdings Ltd. (Holdings), provided that Stubos is the sole shareholder of Prominex and Stubos, his sister and mother are the sole shareholders of Holdings, and Prominex and Holdings do not engage in investor relations activities while he is a director or officer of them; and

4. under section 161(1)(d)(ii) of the Act, Stubos will be prohibited from engaging in investor relations activities for a period of two years from the date of the Order.

### **Consent to Reciprocal Orders**

- ¶ 3 Any securities regulator in Canada may rely on the facts admitted in this agreement solely for the purpose of making an order similar to the one contemplated above.

## 2007 BCSECCOM 362

### Waiver

- ¶ 4 Stubos waives any right he 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.

### Counterpart

- ¶ 5 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.

- ¶ 6 June 22, 2007

- ¶ 7 “George Stubos”  
George Stubos  
“Ronald Pelletier” )  
Witness Signature )  
Ronald Pelletier )  
Witness Name (please print) )  
3200 – 650 West Georgia Street )  
Vancouver, BC V6B 4P7 )  
Address )  
Barrister & Solicitor )  
Occupation )

- ¶ 8 June 28, 2007

- ¶ 9 “Brenda Leong”  
Brenda M. Leong  
Executive Director