

2008 BCSECCOM 3

Settlement Agreement

Dorchester Investment Management

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Dorchester Investment Management (Dorchester) agree as follows:

Agreed Statement of Facts

1. Dorchester is, and throughout the period in question was, registered as an unrestricted practice advisor in the province of Quebec and an investment counsel and portfolio manager in the province of Ontario.
2. Dorchester was not registered in any capacity under the *Securities Act, RSBC 1996, c. 418* until August 9, 2007, when it became registered as a portfolio manager and investment counsel.
3. From March 1992 to August 8, 2007, Dorchester provided investment advice to as many as 11 clients who were BC residents (for the first nine years of this period, the number of BC resident clients never exceeded two).
4. Of the eleven BC clients, four had preexisting relationships with at least one of the partners at Dorchester, and the other seven became clients of Dorchester while residents in Ontario or Quebec and subsequently moved to BC.
5. By advising BC residents without being registered to do so, Dorchester breached section 34 of the Act.

Mitigating Factors

6. Staff of the Commission is not aware of any complaints having been made by Dorchester's BC resident clients.
7. Dorchester does not have a previous regulatory history with the Commission.
8. Dorchester voluntarily initiated registration with the Commission and actively cooperated with staff of the Commission during the course of the investigation of this matter.
9. Dorchester did not solicit potential new clients in BC.

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Public Interest

10. Dorchester acted contrary to the public interest by engaging in the conduct set out above.

Undertaking

11. Dorchester will pay \$74,050 to the Commission, which sum is due and payable immediately without further demand. This includes \$34,050 in respect of registration fees that otherwise would have been payable to the Commission if Dorchester had been registered under the Act as required.

Order

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

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

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.

Waiver

¶ 4 Dorchester 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

¶ 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 December 11, 2007

¶ 7 “Isabella H. Wehrli”)
Dorchester Investment Management)
(Signing Authority))
)
Isabella H. Wehrli)
Print Signing Authority Name)
)
“Robert J. Craig”)
Witness Signature)
)
Robert J. Craig)
Witness Name (please print))
19647 Hwy 2 RR1)
)
Summerstown ON KOC 2E0)
Address)
Investment Counsellor)
Occupation)

¶ 8 December 20, 2007

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