

2010 BCSECCOM 202

Settlement Agreement

Portfolio Strategies Corporation

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Portfolio Strategies Corporation (PSC) agree as follows:

Agreed Statement of Facts

1. PSC is a mutual fund dealer registered under the *Securities Act*, RSBC 1996, c. 418. PSC has held registration in British Columbia since July 17, 1998.
2. Wai Kwok (John) Lai (Lai) has been registered under the Act since 2005.
3. On May 25, 2009, PSC terminated Lai's registration in error while attempting to terminate another individual with a similar name.
4. From May 25, 2009 to December 2, 2009 (the material period), Lai was not registered to trade in securities under the Act due to PSC's actions.
5. During the material period, Lai conducted 947 trades.
6. On December 3, 2009, PSC discovered the termination error and applied to re-activate Lai's registration.

Misconduct

7. By its actions, PSC caused Lai to trade in securities while not properly registered, contrary to section 34 of the Act.

Mitigating Factors

8. PSC self-reported the error of Lai's termination and cooperated with Staff of the Commission during the course of the investigation of this matter.

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Public Interest

9. PSC acted contrary to the public interest by engaging in the conduct set out above.

Undertaking

10. PSC will pay \$4,000 to the Commission, 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, PSC comply fully with the Act, the *Securities Rules*, BC Reg. 194/97, and any applicable regulations; and
 2. under section 161(1)(j), PSC 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 PSC 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 April 5, 2010

¶ 7 “Kenneth Parker”
Portfolio Strategies Corporation
(Signing Authority)

“M. Kent”)
Witness Signature)

Mark S. Kent, CFA)
Witness Name (please print))

1850 – 14 St. S.W.)

Calgary, AB)
Address)
T2T 3S9)

President)
Occupation)

¶ 8 April 16, 2010

¶ 9 “Martin Eady”
Martin Eady
A/Executive Director