



Citation: 2022 BCSECCOM 13

Settlement Agreement

Peterson Investment Holdings Inc.

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Peterson Investment Holdings Inc. (Peterson Holdings) agree as follows:

Agreed Statement of Facts

1. Peterson Holdings was incorporated in British Columbia on March 27, 2013. It is a member of the Peterson group of companies (Peterson Group).
2. Peterson Holdings invests in and holds title to income producing real estate properties and development sites. It creates a special purpose limited partnership (SPLP) for each project. Investors purchase units in a SPLP that holds title to a particular project.
3. Peterson Holdings has no history of regulatory misconduct.

Misconduct

Unregistered Trading

4. From March 2013, to January 1, 2019 (the Relevant Period), Peterson Holdings traded in securities and triggered the requirement to register by:
 - (i) engaging in activities similar to a registrant, including trading in securities;
 - (ii) raising \$80,050,000 by directly distributing units of 20 SPLPs to 43 purchasers through 258 trades;
 - (iii) communicating the opportunity to participate in SPLPs to potential purchasers;
 - (iv) receiving compensation between 2015 to 2018 for its activities in (i) to (iii) above; and
 - (v) directly or indirectly carrying on the activity in (i) to (iv) with repetition, regularity or continuity as part of its business operations.
5. Peterson Holdings was not registered under the Act during the Relevant Period.



6. As a result, Peterson Holdings engaged in the business of trading in securities without registration, contrary to section 34(a) of the Act.

Mitigating Factors

7. Peterson Holdings made early admissions with respect to its misconduct before the issuance of a Notice of Hearing.
8. Peterson Holdings fully cooperated with the Commission's review of these matters.

Facts Relevant to Settlement

9. Peterson Holdings communicated the opportunity to participate in the SPLP's exclusively to a group comprising certain directors, officers and employees of Peterson Holdings and the Peterson Group, members of their immediate family, and a small number of close personal friends of the owners and senior management of the Peterson Group who had expressed interest in participating in the Peterson Group's investment activities.
10. The compensation received by Peterson Holdings for raising capital offset a portion of the costs incurred relating to sourcing, underwriting and closing real estate transactions and was not a significant source of revenue.
11. A member of the Peterson Group applied for registration for the purposes of carrying out these activities without prompting by the Commission.

Undertaking

12. Peterson Holdings undertakes to pay \$115,000 to the Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.

Public Interest

13. Peterson Holdings is now compliant and trades solely to or through a registered entity in reliance on the exemption from the requirement to register in section 8.5 of NI 31-103.
14. In light of all of the circumstances, including the undertaking provided by Peterson Holdings in paragraph 12 of this Agreement, it is not in the public interest to issue orders under section 161 of the Act.



Waiver

¶ 2 Peterson Holdings 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.

Counterpart

¶ 3 This Settlement Agreement may be signed in counterpart and all such counterparts of signed copies, whether delivered electronically or otherwise, shall be read or construed together as if they formed one originally executed document.

¶ 4 January 28, 2022

¶ 5 Peterson Investment Holdings Inc.
Peterson Investment Holdings Inc.
(Signing Authority)

Redacted)
Witness Signature)
Redacted)
Witness Name (please print))
Redacted)
Redacted)
Address)
Redacted)
Occupation)

Peter J Brady
January 31 2022 7:42 PM -08:00

¶ 6 Peter J. Brady
Executive Director