



Citation: 2022 BCSECCOM 416

Settlement Agreement

Haywood Securities Inc.

Securities Act, RSBC 1996, c. 418

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

Agreed Statement of Facts

1. Haywood is a registered investment dealer.
2. In 2019, the Commission issued an order to freeze property under section 151 of the Act with respect to accounts held at Haywood (the “Freeze Order”).
3. Staff served the Freeze Order on Haywood. Haywood then circulated the Freeze Order internally to its compliance departments and the investment advisors overseeing the relevant accounts.
4. The Freeze Order, among other things, required Haywood to hold all funds, securities, exchange contracts, or other property that it had on deposit, under control or for safekeeping in the accounts subject to the Freeze Order.
5. The frozen accounts contained cash and securities with an approximate market value of \$1.4 million CAD.

Misconduct

6. Through inadvertence, Haywood permitted the account holder to make six purchases in one of his frozen accounts and four transfers between different frozen accounts between 2019 and 2020. One of the trades resulted in a monetary loss of \$931,553.40.
7. Haywood contravened the Freeze Order by allowing the purchases and transfers in the frozen accounts to occur.

Mitigating Factors

8. When Haywood became aware it had inadvertently breached the Freeze Order, Haywood fully cooperated with Staff throughout the investigation of this matter, including voluntarily setting aside its own funds to cover the loss of funds from the frozen accounts (Replacement Fund).
9. Haywood’s agreement to enter into this settlement enabled the Commission to avoid a hearing to prove the matters set out above.



Undertakings

10. Haywood undertakes to Pay \$50,000 to the Commission in respect of settlement of this matter which sum is due and payable immediately without further demand.

Public Interest

¶ 2 In light of all the circumstances, including the undertakings provided by Haywood in the above paragraphs, it is not in the public interest for the Executive Director to issue orders under section 161 of the Act against Haywood.

Waiver

¶ 3 Haywood 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

¶ 4 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.

¶ 5 November 28, 2022

¶ 6 Haywood Securities Inc.
Haywood Securities Inc.
(Signing Authority)

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

Peter J Brady
Jan 20 2023 7:00 PM -08:00

¶ 7 Peter J. Brady
Executive Director