

# 2008 BCSECCOM 400

## Settlement Agreement

### Global Securities Corporation and Monty Gregory Lorne Montaine

#### *Securities Act, RSBC 1996, c. 418*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director), Global Securities Corporation (Global) and Monty Gregory Lorne Montaine (Montaine) agree as follows:

#### **Agreed Statement of Facts**

1. Global is registered under the *Securities Act*, RSBC 1996, c. 418 (Act) as an investment dealer and is a member of the Investment Dealers Association of Canada. Global is also registered under the securities legislation of other jurisdictions in Canada.
2. Montaine currently holds registration with Global as a salesperson and registered representative.
3. Brookmount Exploration Inc. (Brookmount) was incorporated on December 9, 1999, under the laws of The State of Nevada. Brookmount's head office is located in Vancouver, British Columbia. Brookmount's chief operating officer, who is also a director, is resident in British Columbia. Brookmount is not a reporting issuer in British Columbia.
4. On June 20, 2007, and under section 164(1) of the Act, staff of the Commission (Staff) issued a cease trade order (CTO) against Brookmount, whose shares are quoted on the Over the Counter Bulletin Board (OTCBB).
5. On June 21, 2007, Global, acting on behalf of a client resident in Alberta (Alberta Client), accepted an unsolicited order to sell 100,000 shares of Brookmount. Montaine entered the order using a physical trade ticket.
6. Global's procedures require that physical trade tickets be checked against the electronic order management system (OMS) or the National Cease Trade Order Database (NCTO Database). Montaine failed to perform this check.
7. On June 21, 2007, Global sold 100,000 shares of Brookmount on behalf of the Alberta client, contrary to the terms of the CTO.
8. Global's procedures are supposed to prevent its OMS from accepting trades in securities of a company that is subject to a cease trade order. At the time they

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entered the trade into the marketplace, Global's data service provider had not yet placed restrictions on the system to halt trades in Brookmount.

9. On June 22, 2007, Montaine entered a second unsolicited order to sell 100,000 shares of Brookmount on behalf of the Alberta client. Once again, he failed to check the order against Global's OMS or the NCTO Database.
10. On June 22, 2007, Global sold 75,000 shares of Brookmount on behalf of the Alberta Client, contrary to the CTO.
11. When Global tried to process the trade in their system, they could not since there was a trading restriction noted. Global cancelled the balance of the second order, and cancelled all filled trades from the Alberta Client's account to an internal error account, leaving them with a short position of 175,000 shares of Brookmount.
12. On August 28, 2007, Staff issued a partial revocation of the CTO to permit Global to purchase certain securities of Brookmount.
13. Between August 29, 2007 and August 31, 2007, Global purchased 175,000 shares of Brookmount to cover its short position.

### ***Misconduct***

14. Global and Montaine contravened the CTO, an order issued under section 164(1) of the Act.

### ***Public Interest***

15. Global and Montaine acted contrary to the public interest by engaging in the conduct set out above.

### ***Undertaking***

16. Global will pay \$16,050 to the Commission, which is due and payable immediately without further demand. This includes \$1,050 in profit that Global made on its purchase of the Brookmount shares.
17. Montaine will pay \$5,000 to the Commission, which is due and payable immediately without further demand.

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### Order

- ¶ 2 The Executive Director will issue an order (the Order) that:
1. under section 161(1)(a) of the Act, Global and Montaine will comply fully with the Act, the *Securities Rules*, B.C. Reg. 194/97, and any applicable regulations; and
  2. under section 161(1)(j) of the Act, Global and Montaine 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 Global and Montaine waive any right they 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 July 10, 2008

- ¶ 7 “Douglas R. Garrod”  
\_\_\_\_\_  
Global Securities Corporation  
(Signing Authority)

Douglas R. Garrod  
Print Signing Authority Name

“Duncan W. Boggs”  
\_\_\_\_\_  
Witness Signature )  
Duncan W. Bogg )  
Witness Name (please print) )  
1100-595 Burrard Street )  
Vancouver BC V7X 1C4 )  
Address )  
Accountant )  
Occupation )

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¶ 8 July 10, 2008

¶ 9 “Monty Montaine”  
Monty Gregory Lorne Montaine

Monty Montaine  
Print Signing Authority Name

“Carol Zosiak” )

Witness Signature )

Carol Zosiak )

Witness Name (please print) )

)

530 St. Andrews Road )

West Vancouver BC )

Address )

IA/Trader )

Occupation )

¶ 10 July 11, 2008

¶ 11 “Brenda Leong:  
Brenda M. Leong  
Executive Director