

# 2009 BCSECCOM 163

## Settlement Agreement

### USC Education Savings Plans Inc.

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

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

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

1. USC is a scholarship plan dealer registered under the *Securities Act*, RSBC 1996, c. 418. USC has held registration in British Columbia since May 1, 1981.
2. Robert Sargent (Sargent) is registered under the Act and has held the following registration categories with USC since 1988:
  - January 29, 1988 to March 2003 - Registered Representative
  - March 14, 2003 to October 9, 2003 - Branch Manager and Salesperson
  - October 9, 2003 to September 22, 2008 – added Compliance Officer
  - April 28, 2004 to September 22, 2008 – removed Salesperson added Trading Officer
  - September 2008 – Branch Manager.
3. In September 2008, USC removed the categories of Compliance Officer and Trading Officer from Sargent's registration. Sargent remained registered as Branch Manager.
4. From September 22, 2008 to January 15, 2009 (the material period), Sargent was not registered to trade in securities under the Act.
5. On December 12, 2008, during the material period, Sargent conducted one trade of 37.5 scholarship plan units to one client, earning \$1,875.00 in commissions.
6. On December 23, 2008, USC self-reported its failure to add the designation of salesperson to Sargent's registration in September 2008.

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7. On January 15, 2009, USC registered Sargent as a salesperson.

### ***Misconduct***

8. USC contravened section 34 of the Act by allowing Sargent to trade in securities while not being properly registered.

### ***Public Interest***

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

### ***Mitigating Factors***

10. USC self-reported the failure to register Sargent as a salesperson.

### ***Aggravating Factors***

11. USC previously failed to update its employees' registration status, in circumstances that permitted unregistered persons to trade in securities.

### ***Undertaking***

12. USC undertakes to pay \$5,000 to the Commission, which 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, USC comply fully with the Act, the *Securities Rules*, BC Reg. 194/97, and any applicable regulations; and
2. under section 161(1)(j), USC 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 USC 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 March 20, 2009
- ¶ 7 USC Education Savings Plans Inc.

“Norm Lihaven”  
(Signing Authority)

“M. Rahman” )  
Witness Signature )

Marwiyah Binte Abdul Rahman )  
Witness Name (please print) )

2001 – 9541 Erickson Drive )  
Address )

Burnaby, BC V3J 7N8 )

Executive Assistant )  
Occupation )

- ¶ 8 March 23, 2009

- ¶ 9 Brenda M. Leong  
Executive Director