

Citation: 2013 BCSECCOM 37

Settlement Agreement

Quantum Financial Services (Canada) Ltd.

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Quantum Financial Services (Canada) Ltd. (Quantum) agree as follows:

Agreed Statement of Facts

Parties

1. Quantum is a British Columbia company, carrying on business in Richmond, BC.
2. Quantum has been registered under section 34 of the *Securities Act*, RSBC 196, c. 418 (the Act) as an Exchange Contracts Dealer since February 1, 1986 and as a Portfolio Manager since October 20, 2003.

Misconduct

The Examinations

3. In July 2005, Staff at the BC Securities Commission (the Commission) conducted a compliance examination of Quantum, and found deficiencies in the area of Know Your Client procedures, Policy and Procedures Manual and Compliance Officer performance and oversight.
4. In July 2008, Staff conducted another examination of Quantum and found deficiencies in the area of Know Your Client procedures and the implementation of procedures contained in the Policy and Procedures Manual.
5. In February 2010, Staff conducted another examination of Quantum and found deficiencies in the area of Know Your Client Procedures, Policy and Procedure Manual and Compliance Officer performance and oversight.

Mitigating Factors

6. There is no evidence the deficiencies outlined in this settlement agreement (the Deficiencies) negatively impacted Quantum's clients.
7. In 2011, Quantum invited Commission staff to again review the Deficiencies. As a result of the invitation, Staff conducted an investigation and an Examination. Staff found that Quantum had corrected the Deficiencies.

Public Interest

8. Quantum acknowledges that repeat Deficiencies in the same area are not acceptable and should have been addressed and that the following undertakings are in the public interest.

Undertakings

- 9. Quantum undertakes:
 - (a) To engage an independent compliance consultant (approved by the Commission in advance) to review, for a period of one year on a quarterly basis, Quantum’s ongoing response to the Deficiencies; and
 - (b) To pay \$50,000 to the British Columbia Securities Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.

Waiver

¶ 2 Quantum 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 the matters contained within this Settlement Agreement.

Counterpart

¶ 3 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.

¶ 4 April 17, 2013

¶ 5 James Ming Sing Ho
Quantum Financial Services (Canada) Ltd.
(Signing Authority)

Patrick Sullivan)
 Witness Signature)
Patrick Sullivan)
 Witness Name (please print))
 _____)
)
300-1168 Hamilton Street, Vancouver)
 Address)
Lawyer)
 Occupation)

¶ 6 April 18, 2013

Paul C. Bourque

¶ 7 Paul C. Bourque, Q.C.
Executive Director