

Citation: 2013 BCSECCOM 85

Settlement Agreement

Daljinder Nagra

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Daljinder Nagra (Nagra) agree as follows:

Agreed Statement of Facts

Background

1. Saafnet Canada Inc. (Saafnet) was a federal company (dissolved for non-compliance on April 4, 2012) and was registered as an extra-provincial company in British Columbia.
2. Saafnet has never filed a prospectus under the *Securities Act*, RSBC 1996, c. 418 (the Act).
3. Saafnet's primary business was to build and market computer hardware products relating to internet security and access.
4. AlphaShield Co. (AlphaShield) is a sole proprietorship registered in British Columbia.
5. Saafnet was doing business as AlphaShield during all relevant times.
6. Nagra signed a consulting agreement with Saafnet dated October 1, 2005. The consulting agreement stated that Nagra would assist in marketing and raising capital for Saafnet.
7. Nagra was a resident of British Columbia and a shareholder in Saafnet at all relevant times.
8. Nagra has never been registered in any capacity under the Act.

Misconduct

Illegal Trading and Distributions

9. Between June of 2000 and May of 2008, Saafnet distributed its securities to 72 investors for total proceeds of CDN \$1,635,204 and US \$1,677,248.
10. Between October of 2005 and May of 2008, Nagra introduced seven individuals (the Investors) to Saafnet and those investors invested \$465,979.43 in the securities of Saafnet.
11. Saafnet has never made any filings with the BCSC in connection with its securities distributions and was unable to rely on exemptions for all investors in distributing its securities to the Investors.
12. By introducing investors, promoting Saafnet's securities and facilitating the distributions, Nagra:
 - (a) Traded in securities without being registered, and without an available exemption, contrary to section 34(1) of the Act; and
 - (b) Distributed securities for which a prospectus has not been filed, and without an available exemption, contrary to section 61 of the Act.

Mitigating Factors

13. Nagra invested approximately \$1,000,000 of his own funds, his wife's funds, and funds from his personal holding company, Ruman Holdings Ltd., in the securities of Saafnet, and has lost the entire investment.
14. Nagra voluntarily compensated two of the Investors for a total of approximately \$100,000 relating to their investment in Saafnet.

Public Interest

15. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

Undertakings

16. Nagra undertakes:
 - (a) To pay \$7,500 to the British Columbia Securities Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand; and

- (b) To take the officers and directors course within one year of the date of the agreement and provide proof of the completion of the course to the Executive Director.

Order

¶ 2 The Executive Director will issue an order (the Order) that:

1. Under section 161(d)(i) of the Act, Nagra resign any position that he holds as a director or officer of any issuer or registrant, except for Ruman Holdings Ltd.;
2. Under section 161(d)(ii) of the Act, Nagra is prohibited from becoming or acting as a director or officer of any issuer or registrant for a period of 5 years, except for Ruman Holding Ltd.;
3. Under section 161(d)(iv) of the Act, Nagra is prohibited from acting in a management or consultative capacity in connection with activities in the securities market for a period of 5 years; and
4. Under section 161(d)(v) of the Act, Nagra is prohibited from engaging in investors relations activities for a period of 5 years.

Consent to Regulatory Orders

¶ 3 Nagra consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraph 2 above.

Waiver

¶ 4 Nagra waives any rights he 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 April 29, 2013

¶ 7 Daljinder Nagra
Daljinder Nagra

Teresa Tomchak)
Witness Signature)
Teresa Tomchak)
Witness Name (please print))
26th floor, 700 West Georgia)
)
Vancouver, BC V7Y 1B3)
Address)
Barrister & Solicitor)
Occupation)

¶ 8 May 1, 2013

Paul Bourque

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