



British Columbia Securities Commission

Citation: 2014 BCSECCOM 87

## Settlement Agreement

### Quantum Materials Corp. and Stephen B. Squires

#### *Securities Act, RSBC 1996, c. 418 (the Act)*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director), Quantum Materials Corp. (Quantum) and Stephen B. Squires (Squires), agree as follows:

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

##### ***Background***

1. Quantum is a Nevada corporation with shares quoted on the OTCQB tier of the OTC Markets platform. Quantum's principal executive offices are currently located in San Marcos, Texas.
2. Quantum was an OTC reporting issuer under MI 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* and its predecessor instruments from September 15, 2008 through June 15, 2013.
3. Quantum's securities have been subject to a cease trade order for failure to make required filings under the Act since November 6, 2009 (the CTO).
4. Squires is a United States resident and has acted as Quantum's chief executive officer since November 4, 2008.

##### ***Illegal distributions in breach of the CTO***

5. Between July 2010 and June 2012, Quantum and Squires distributed securities to 11 British Columbia residents for proceeds of approximately \$268,000 (the Distributions).
6. Contrary to section 61 of the Act, Quantum and Squires made the Distributions without filing a prospectus with the British Columbia Securities Commission (the Commission), and without an exemption from the requirement to file a prospectus under the Act.



7. Quantum and Squires made the Distributions in contravention of the CTO.

***Mitigating Factor***

8. Quantum and Squires have cooperated with the Executive Director in reaching this settlement agreement.

***Public Interest***

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

***Undertaking***

10. Squires undertakes to pay \$15,000 to the Commission in respect of settlement of this matter which sum 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)(b) of the Act, Quantum and Squires cease trading in securities for 5 years from the date of the Order; and
2. under section 161(1)(d)(v) of the Act, Quantum and Squires are prohibited from engaging in investor relations activities for 5 years from the date of the Order.

**Consent to Regulatory Orders**

¶ 3 Quantum and Squires consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in paragraph 2 above.

**Waiver**

¶ 4 Quantum and Squires 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 March 11, 2014

¶ 7 “Stephen B. Squires”  
**Quantum Materials Corp.**  
(Signing Authority)

“Connie Montgomery” )  
Witness Signature )  
Connie Montgomery )  
Witness Name (please print) )  
1636 Lark Rd. )  
 )  
Kingston, OK 73439 )  
Address )  
Retired Teacher )  
Occupation )

¶ 8 March 11, 2014

¶ 9 “Stephen B. Squires”  
**Stephen B. Squires**

“Connie Montgomery” )  
Witness Signature )  
Connie Montgomery )  
Witness Name (please print) )  
1636 Lark Rd. )  
 )  
Kingston, OK 73439 )  
Address )  
Retired Teacher )  
Occupation )

¶ 10 March 13, 2014

*“Paul C. Bourque”*

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