

## Settlement Agreement

Justin Trent Smith

*Securities Act, RSBC 1996, c. 418*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Justin Trent Smith (Smith) agree as follows:

### **Agreed Statement of Facts**

#### ***Background***

1. Smith resides in British Columbia. He has never been registered to trade in securities in British Columbia under the Act.
2. Beginning in June 2014, Smith traded in exempt market securities, including the securities of two issuers based in British Columbia.
3. In June 2014, and again in April 2016, Smith filed an information report with the Commission indicating that he was relying on the registration exemption in BC Instrument 32-513 *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions* (the NorthWest Exemption).

#### ***Misconduct***

4. Smith could not rely on the NorthWest Exemption because it does not apply to trades by persons who were formerly registered under provincial securities legislation. From August 2008 to August 2009, Smith was registered as a mutual fund salesperson in Alberta under the Alberta Securities Act (the Alberta Act).
5. When Smith was registered under the Alberta Act, he was working for a bank owned firm at one of the bank's retail branches. This was his first job after he graduated from university.

6. Smith's primary duties included opening bank and credit card accounts for the bank's customers, and setting them up with guaranteed investment certificates. He only sold mutual funds to customers on two or three occasions.
7. Although Smith represents that he did not understand that he had been registered under provincial securities legislation, he acknowledges that he ought to have made further enquiries to determine if he was registered under the Alberta Act. If he had made those enquiries, he would have known that he could not rely on the NorthWest Exemption.
8. By engaging in the business of trading in securities without registration and without an available registration exemption, Smith contravened section 34(a) of the Act.

***Undertaking***

9. Smith undertakes to pay \$25,000 to the Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.

***Waiver***

- ¶ 2 Smith waives any right 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**

¶ 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 November 24, 2017

*Justin Smith*

¶ 5 \_\_\_\_\_  
**Justin Trent Smith**

*Patricia Taylor* \_\_\_\_\_ )  
Witness Signature )  
*Patricia Taylor* \_\_\_\_\_ )  
Witness Name (please print) )  
*500 – 666 Burrard Street* \_\_\_\_\_ )  
*Vancouver, BC V6C 3P6* \_\_\_\_\_ )  
Address )  
*Lawyer* \_\_\_\_\_ )  
Occupation )

¶ 6 November 24, 2017

*Peter Brady*

¶ 7 \_\_\_\_\_  
Peter J. Brady  
Executive Director