

2011 BCSECCOM 133

Settlement Agreement

First Canada Capital Partners Inc. and Douglas Francis Corrigan

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director), First Canada Capital Partners Inc. (First Canada), and Douglas Francis Corrigan (D. Corrigan) agree as follows:

Agreed Statement of Facts

1. First Canada is registered under the *Securities Act*, RSBC 1996, c. 418 as an Investment Dealer (ID) (Securities and Underwriter) and is a member of the Investment Industry Regulatory Organization of Canada (IIROC). First Canada is also registered under securities legislation of other Canadian jurisdictions.
 2. First Canada has submitted its letter of resignation to IIROC and is no longer carrying on any business as a registrant in British Columbia (BC) or elsewhere.
 3. D. Corrigan held registration with First Canada as a Dealing Representative.
- Sun Cal Energy Inc.***
4. Sun Cal Energy, Inc. (Sun Cal) is an Over the Counter (OTC) reporting issuer under BC Instrument 51-509 *Issuers Quoted in the U.S. Over-the-Counter Markets* (BCI 51-509)
 5. On November 6, 2009, under section 164(1) of the Act, the Executive Director issued a cease trade order (CTO) against Sun Cal whose shares are quoted on the over-the-counter bulletin board (OTCBB).
 6. On November 6, 2009, at 3:30pm, the CSA sent an email message to its subscribers, including First Canada, announcing the Sun Cal CTO.
 7. Between December 10, 2009 and March 29, 2010, as a result of data entry errors and contrary to the CTO, First Canada traded in the securities of Sun Cal by purchasing 2,321,600 shares and selling 471,083 shares for three separate clients in 29 separate transactions.
 8. At the time of these breaches, First Canada's procedures were to check the CSA CTO database prior to executing a trade. First Canada followed its

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internal procedures but entered the name SUNCAL instead of Sun Cal into the system in error, which produced no results on the database.

9. First Canada learned about the error in late March 2010 and reported their breach of the Sun Cal CTO to the British Columbia Securities Commission (“BCSC”) shortly thereafter.

Tornado Gold International Corp

10. Tornado Gold International Corp. (Tornado) is an OTC reporting issuer under BCI 51-509.
11. On August 18, 2009, under section 164(1) of the Act, the Executive Director, issued a CTO against Tornado whose shares are quoted on the OTCBB.
12. On August 18, 2009 at 4:00pm, the CSA sent an email message to its subscribers, including First Canada, announcing the Tornado CTO.
13. Between March 9, 2010 and March 26, 2010, and contrary to the CTO, First Canada traded in the securities of Tornado by purchasing 151,141 for one client in 4 separate transactions. As they were only partial fills on an order, no fees or commissions were earned.
14. First Canada discovered the violation after conducting an internal review following the discovery of the Sun Cal clerical error and reported their breach of the Tornado CTO to the BCSC shortly thereafter.

Robert Lockwood and Inspiration Mining Corporation

15. On March 12, 1999, under section 164(1) of the Act, the Executive Director issued a CTO against Robert Lockwood (Lockwood) for his failure to file a Form 4B within 30 days after becoming a director and officer of Inspiration Mining Corporation (Inspiration). The CTO was revoked on October 15, 2010.
16. In March 2007, Lockwood opened an account at First Canada then transferred his account holdings over from another brokerage firm. Those holdings included shares of Inspiration.
17. During the period of March 2007 through October 2010 and contrary to the CTO, Lockwood actively traded Inspiration Mining stock through First Canada.
18. In 2007, First Canada’s account opening procedures did not include conducting a National CTO (NCTO) database search.

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Sungro Minerals Inc.

19. Sungro Minerals Inc. (Sungro) is an OTC reporting issuer under BCI 51-509.
20. On July 7, 2009, under section 89(1) of the Act, the Executive Director issued a Halt Trade Order (HTO) against Sungro whose shares are quoted on the OTCBB. The HTO expired on July 10, 2009.
21. On July 7, 2009 at 5:30pm, the CSA sent an email message to its subscribers, including First Canada, announcing the Sungro HTO.
22. On July 10, 2009, the Executive Director issued another HTO against Sungro. The HTO expired on July 15, 2009.
23. On July 13, 2009 at 9:30pm the CSA sent an email message to its subscribers, including First Canada, announcing the Sungro HTO.
24. On July 29, 2009, under section 161(1)(b) and 161(2) of the Act, the Executive Director issued a Notice of Hearing and Temporary Order (TO). Under the TO all persons must cease trading in the securities of Sungro until August 12, 2009.
25. On August 11, 2009 at 9:05pm, the CSA sent an email message to its subscribers, including First Canada, announcing the Sungro NOH and TO.
26. On numerous occasions between August 11, 2009 and October 7, 2010, the Commission adjourned the hearing to a new date. Each adjournment extended the terms of the TO. The TO remains in effect to February 3, 2011.
27. As a result of a failure in its newly developed cross-check system, between December 2, 2010 and December 6, 2010, D. Corrigan traded in the securities of Sungro by purchasing shares for one BC resident client.
28. On December 14, 2010 First Canada reported their breach of the Sungro TO to the BCSC.
29. First Canada cancelled the trades conducted by D. Corrigan and moved the shares to their broker error account.

Misconduct

30. First Canada contravened three CTOs issued under section 164(1) of the Act.

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31. First Canada contravened one TO issued under section 161(1)(b) of the Act.
32. D. Corrigan contravened one CTO issued under section 164(1) of the Act and one TO issued under section 161(1)(b) of the Act.

Public Interest

33. First Canada and D. Corrigan acted contrary to the public interest by engaging in the conduct set out above.

Mitigating Factors

34. First Canada took steps to correct the deficiencies in its system and to put in place procedures to prevent further CTO and TO violations.

Undertaking

35. First Canada will pay \$18,000 to the Commission, which is due and payable immediately without further demand. This includes \$1,875.50 in commission that First Canada earned.
36. D. Corrigan will pay \$1,200 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, D. Corrigan will comply with the Act, the *Securities Rules*, BC Reg. 194/97, the regulations and IROC Rule 1300; and
 2. under section 161(1)(j) of the Act, D. Corrigan 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 First Canada and D. Corrigan 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.

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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 , 2011

“Mark Wiltshire”)
First Canada Capital Partners Inc.
(Signing Authority)

Mark Wiltshire)
Print Signing Authority Name)

“Lynn Stibbard”)
Witness Signature)

Lynn Stibbard)
Witness Name (please print))

13029 14 Avenue)
Address)
Surrey BC V4A 1G4)

Consultant)
Occupation)

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¶ 7 March 15, 2011

¶ 8 “Douglas F. Corrigan”)
Douglas Francis Corrigan)
)
Douglas F. Corrigan)
Print Signing Authority Name)
)
“Neil Goodman”)
Witness Signature)
)
Neil Goodman)
Witness Name (please print))
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c/o Global Maxfin Capital Inc)
Address)
543 Granville Street, Ste 702)
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Vancouver BC V6C 1X8)
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Assistant)
Occupation)

¶ 9 March 18, 2011

“Sandra Jakab”
Acting ED for
¶ 10 Paul C. Bourque, Q.C.
Executive Director