

**IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, C. 418 as amended (“the Act”)**

-AND-

**IN THE MATTER OF
THE INVESTMENT DEALERS ASSOCIATION OF CANADA (“the IDA”)**

-AND-

CHRISTOPHER ROBINSON (“the Respondent”)

SETTLEMENT AGREEMENT

I INTRODUCTION:

1. By Notice of Hearing dated the 9th. day of February 2004, (the “Notice of Hearing”), the Nova Scotia Securities Commission (the “Commission”) announced that it proposed to hold a hearing to consider whether, pursuant to section 135 of the Act, in the opinion of the Commission, it is in the public interest for the Commission:
 - a. to make an order pursuant to section 135(a) of the Act determining that the Respondent has contravened the Act or its regulations in that he did fail to comply with a decision of the Nova Scotia District Council of the IDA made on December 17th., 2001 finding the Respondent guilty of contravening the IDA’s by-laws and regulations and ordering the Respondent to pay financial penalties and to disgorge monies gained by his misconduct, and further ordering the Respondent to pay the IDA’s costs of its proceedings against the Respondent, and whether the Commission should make an order that the Respondent comply with the said decision of the Nova Scotia District Council of the IDA;
 - b. confirm and approve a settlement agreement entered into by the Respondent and Commission Staff in respect to the allegations made in the Statement of Allegations dated the 9th. day of February 2004.

II JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceedings initiated in respect of the Respondent by the Notice of Hearing in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts agreed to as hereinafter provided and the Respondent consents to the making of an Order in the form attached as Schedule “A” on the basis of the facts set out below in respect to the violation of the Act, reserving the right to be heard in respect to administrative penalty and costs.
3. This settlement agreement including the attached Schedule “A” (collectively the “Settlement Agreement”), will be released to the public only if and when the settlement is approved by the Commission.

III SETTLEMENT OF FACTS AND CONCLUSIONS

Acknowledgment

4. Staff and the Respondent agree with the facts and conclusions set out in Part III of the Settlement Agreement.

Introduction

5. The IDA is a self-regulatory organization (SRO) and was formally recognized as such by the Commission, pursuant to section 30(1) of the Act, in an instrument of recognition dated September 2nd, 1998. That recognition was extended in consideration of, *inter alia*, the IDA’s undertaking with the Commission to enforce compliance by approved persons with the IDA’s constitution, by-laws, regulations, policies and other instruments intended to bind approved persons.
6. The Respondent was first approved by the IDA as a registered representative for the sale of securities in January 1992, following his submission (jointly with RBC Dominion Securities Inc.) of an application in that regard. As part of that application, he agreed in writing that he was conversant with the by-laws, rulings, rules and regulations of the IDA, and agreed to be bound by and to observe and comply with them. He further agreed in writing to “submit to the jurisdiction of [the IDA] and... the Governors, Directors and

committees thereof...“. He reiterated those agreements in writing in February 1997 as part of his application for a transfer of status (from Representative to Vice-President) with the IDA.

Facts

7. The Respondent was the subject in 2001 of disciplinary proceedings before a panel of the IDA's Nova Scotia District Council. Those proceedings culminated in a hearing on November 20, 2001. The hearing proceeded and the panel accepted as proved the facts and conclusions drawn by the IDA in the Notice of Hearing.

8. The panel's findings and penalty decision were announced on December 17, 2001. The panel found that at various times between 1993 and 1999, the Respondent, at all times a Registered Representative with RBC Dominion Securities Inc., had committed violations of the IDA's regulations and bylaws. More particularly, the panel held that the Respondent:
 - a. on one occasion, failed to use due diligence to learn the essential facts relative to a client, contrary to IDA Regulation 1300.1(a);

 - b. on six occasions, recommended securities which were not appropriate for clients' needs or in keeping with their investment objectives, contrary to IDA Regulation 1300.1(c);

 - c. on two occasions, completed account documentation indicating changes in clients' investment objectives and risk tolerance which did not reflect the clients' true investment objectives and risk tolerance, contrary to IDA Regulation 1300.1(a) and By-Law 29.1; and

 - d. on one occasion, failed to explain the risks associated with a margin account while recommending to a client that such an account be opened, contrary to IDA By-law 29.1.

9. Having arrived at the findings, in the exercise of its authority under IDA By-law 20.10, the panel imposed the following penalties upon the Respondent:
 - a. fines totaling \$47,500.00;

- b. a disgorgement order in the amount of \$6,375.62;
 - c. a requirement that, if the Respondent is reinstated to approved status as a registered representative, he be under strict supervision for a period of 12 months, to be followed by a further 12 months of close supervision, with reports to be filed with the IDA; and
 - d. a requirement that the Respondent take and pass the examination based on the Conduct and Practices Handbook for Securities Industry Professionals before being reinstated to approved status.
 - e. The panel also made an order pursuant to IDA By-law 20.12 requiring the Respondent to pay the IDA's costs of the proceedings before the District Council and of its investigation relating thereto, such costs being fixed in the amount of \$25,000.00.
10. Although the IDA has formally demanded payment by the Respondent of \$78,875.62, being the sum of the penalties and costs ordered by the Nova Scotia District Council, the Respondent has not made any payment in that regard. The Respondent filed an assignment in bankruptcy on the 31st day of March 2005.
11. The Act in section 30(3) requires that "any member of a self-regulatory organization who trades in securities within the Province shall comply with the by-laws, rules, regulations and policies of the self-regulatory organization...". The Respondent admits and acknowledges that he failed to comply with the IDA bylaws and policies in that he has failed to comply with the order upon the terms set out in paragraph 9 of this agreement.
12. In refusing or neglecting to pay the penalties and costs ordered against him by the IDA's Nova Scotia District Council, the Respondent is contravening "a direction, decision, order or ruling made under a by-law, rule, regulation or policy of a self-regulatory organization" as contemplated by section 134(1)(a)(iii) of the Act.

Conduct Contrary to the Public Interest

13. The failure of the Respondent to comply with the direction, decision, order or ruling of the SRO, notwithstanding requests made by the SRO for compliance, undermines the integrity and efficacy of the SRO regulation and discipline of

capital market participants. This has a direct effect on the integrity and reliability of regulatory and enforcement efforts effecting Nova Scotia investors and is in contravention of the Act. The principles of general and specific deterrence mandate that such conduct must, in the public interest, have consequences that cannot be avoided by abandoning responsibilities and undertakings given in a regulated undertaking to the recognized SRO under the Act.

IV POSITION OF THE RESPONDENT

14. The Respondent admits that he has not complied with the IDA order and has not paid any of the penalties contained in the Statement of Allegations dated the 9th. day of February 2004, and without addressing the merits of the SRO order, decision or ruling, the Respondent joins in the Commissions staff's submission that this matter should be adjudicated and disposed of in the manner herein set forth.

V TERMS OF SETTLEMENT

15. The Respondent admits the allegations set forth in the Statement of Allegations and acknowledges its violation of the Act and consents to the Commission making an Order in the public interest as set forth in Schedule "A" to this agreement.

VI STAFF COMMITMENT

16. If this Settlement Agreement is approved by the Commission, Staff will not initiate any complaint to the Commission in accordance with the procedures described herein and such further procedures as may be agreed upon between Staff and the Respondent.
17. If this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter and the Respondent agrees to waive any right to a full hearing and appeal of this matter under the Act.
18. If this Settlement Agreement is approved by the Commission, the parties to this Settlement Agreement will not make any statement that is inconsistent with this Settlement Agreement.

19. If, for any reason whatsoever, this settlement is not approved by the Commission, or the Order set forth in schedule "A" is not made by the Commission:
- (a) each of Staff and Respondent will be entitled to proceed to a hearing of the allegation in the Notice of Hearing and related Statement of Allegations unaffected by the Settlement Agreement or the settlement negotiations;
 - (b) the terms of the Settlement Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of Staff and the Respondent or as may otherwise be required by law; and
 - (c) the respondent agrees that he will not raise in any proceeding the Settlement Agreement or the negotiations or process of approval thereof as a basis of any attack or challenge of the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.
 - (d) if, prior to the approval of this Settlement Agreement by the Commission, there are new facts or issues of substantial concern, in the view of Staff, regarding the facts set out in Part III of this Settlement Agreement, Staff will be at liberty to withdraw from this Settlement Agreement. Notice of such intention will be provided to the Respondent in writing. In the event of such notice being given, the provisions of paragraph 19 in this part will apply as if this Settlement Agreement had not been approved in accordance with the procedures set out herein.

VIII DISCLOSURE OF SETTLEMENT AGREEMENT

20. Staff or the Respondent may refer to any part or all of this Settlement Agreement in the course of the hearing convened to consider this agreement. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all the parties to the Settlement Agreement until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

IX EXECUTION OF SETTLEMENT AGREEMENT

21. This Settlement Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile copy of any signature shall be

as effective as an original signature.

Dated this 14th. day of July 2005.

Signed in the presence of:

(Witness)

“Christopher Robinson”

Christopher Robinson

Dated this 20 day of June 2005

(Witness)

“ R. Scott Peacock”

per: _____

R. Scott Peacock, Deputy Director

Compliance and Enforcement

Nova Scotia Securities Commission