

IN THE MATTER OF  
THE *SECURITIES ACT*, R.S.N.S. 1989, CHAPTER 418, AS AMENDED (“ACT”)

-and-

IN THE MATTER OF VINCENT GEORGE BYRNE  
 (“Respondent”)

**ORDER**  
(Sections 134 and 135)

**WHEREAS** on February 20, 2018, the Nova Scotia Securities Commission (“Commission”) issued a Notice of Hearing to the Respondent pursuant to sections 134, and 135 of the Act;

**AND WHEREAS** the Respondent entered into a Settlement Agreement with the Director of Enforcement for the Commission whereby he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

**AND WHEREAS** the Director of Enforcement and the Respondent recommend approval of the Settlement Agreement;

**AND WHEREAS** the Commission is of the opinion that the Respondent has contravened Nova Scotia securities laws and it is in the public interest to make this order;

**AND UPON** reviewing the Settlement Agreement, and hearing the submissions of counsel for the Director of Enforcement and the Respondent;

**IT IS HEREBY ORDERED** that:


1. The Settlement Agreement dated February 8, 2018, a copy of which is attached, is approved;
2. Pursuant to section 134(1)(a)(i) of the Act, the Respondent complies with and ceases contravening Nova Scotia securities laws;
3. Pursuant to section 134(1)(b) of the Act, the Respondent shall, for a period of three years from the date of this order, cease trading in securities beneficially owned by anyone other than himself, with the exception of those persons listed in Appendix A to this order, which shall not be made public;
4. Pursuant to section 134(1)(c) of the Act, all of the exemptions contained in Nova Scotia securities laws do not apply to the Respondent for a period of ten years from the date of this order;

5. Pursuant to section 134(1)(d)(ii) of the Act, the Respondent shall be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for a period of five years from the date of this order;
6. Pursuant to section 134(1)(f) of the Act, that terms and conditions of close supervision and monthly reporting be imposed upon any grant of registration to the Respondent for a period of five years from the date of granting the registration;
7. Pursuant to section 134(1)(h) of the Act, the Respondent shall be reprimanded; and
8. Pursuant to sections 135(a) and (b) of the Act, the Respondent shall pay an administrative penalty in the amount of seven thousand five hundred dollars (\$7,500.00): five thousand dollars (\$5,000.00) of which is payable within 60 days from the date of this order, and two thousand five hundred dollars (\$2,500.00) of which is payable within six months of the date of this order.

**DATED** at Halifax, Nova Scotia, this 28<sup>th</sup> day of February 2018.

**NOVA SCOTIA SECURITIES COMMISSION**

  
Heidi Walsh Sampson

  
Kenneth Wheelans

IN THE MATTER OF THE SECURITIES ACT  
R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("Act")

- AND -

IN THE MATTER OF VINCENT GEORGE BYRNE  
(the "RESPONDENT")

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The parties to this Settlement Agreement are the Respondent and the Director of Enforcement for the Nova Scotia Securities Commission.
2. The parties agree that the Nova Scotia Securities Commission has jurisdiction over this matter.
3. The parties agree to recommend to the Commission approval of this Agreement in accordance with the terms and process set out herein.

**PART II – PROCEDURE FOR APPROVAL OF THE AGREEMENT**

4. The Director of Enforcement agrees to request that a Notice of Hearing be issued setting down a hearing ("Settlement Hearing") wherein the Commission will consider whether it is in the public interest to approve this Agreement and to issue an Order in the form attached as Schedule A.
5. The parties agree that the Agreement constitutes the entirety of evidence to be submitted to the Commission at the Settlement Hearing.
6. Staff agrees to recommend that the allegations acknowledged and admitted by the Respondent be resolved and disposed of in accordance with this Agreement.
7. The Parties acknowledge that this Agreement will become a public document upon its approval by the Commission at the Settlement Hearing.

**PART III – STATEMENT OF AGREED FACTS**

8. The Director of Enforcement and the Respondent agree with the facts and conclusions set out in this Agreement.

**Background**

9. The Respondent is a resident of Amherst, Nova Scotia.

10. The Respondent was registered with the Commission in the category of mutual fund salesperson, or dealing representative, from November 1992 until October 2013.
11. At no time was the Respondent a registered representative of a member-firm of the Investment Industry Regulatory Organization of Canada.
12. From 1992 to 2009 the Respondent was the bank manager at Scotiabank in Amherst, Nova Scotia.
13. In February 2006, the Respondent registered a partnership known as Vince Byrne and Associates Consulting with the Nova Scotia Registry of Joint Stocks. The nature of the business is noted as financial consulting, mortgage broker, and custom travel excursions.

Unregistered activity

14. Between 2013, when the Respondent's registration with the Commission ended, and December 2016, the Respondent recommended to some clients that they open trading accounts at Scotia iTrade. The account documents included a standard Scotia iTrade Trading Authority which, when made out in the Respondent's name, gave him access to account information as well as trading authority over those accounts. The Respondent charged some of those clients \$25 per month to manage those iTrade accounts.
15. Between 2013 and December 2016, numerous trades in equities and mutual funds in at least 16 client Scotia iTrade accounts were effected through the Respondent.

Cease trade order and consent conditions

16. On December 23, 2016, the Commission issued a temporary cease trade order against the Respondent requiring him to cease acting as a registered representative, registered dealer, registered adviser or registered investment fund manager in contravention of section 31 of the Act, and to cease trading in any securities beneficially owned by anyone other than himself, for a period of 15 days.
17. On January 6, 2017, the Commission extended the temporary cease trade order to January 31, 2017.
18. On January 19, 2017, the Respondent consented to an undertaking with the Director of Enforcement, agreeing to:
  - a. Comply with Nova Scotia securities laws at all times;
  - b. Provide the necessary instructions and directions to a specified list of clients forthwith directing Scotia iTrade to revoke and remove the Respondent as having trading authority over those accounts; and

- c. Cease trading in any securities beneficially owned by anyone other than the Respondent himself, with the exception of three specific people.

Specific violation

19. By having trading authority and by effecting numerous trades in 16 client accounts, the Respondent acted as an adviser without being registered to do so, thereby violating section 31(1)(2)(a) of the Act.

**PART IV – STATEMENT OF ALLEGATIONS ACKNOWLEDGED AND ADMITTED BY THE RESPONDENTS**

20. The Respondent acknowledges and admits that he violated section 31(2)(a) of the Act.
21. The Respondent acknowledges that his actions undermined investor confidence in the fairness and efficiency of capital markets in Nova Scotia and were contrary to the public interest.
22. The Respondent admits the facts set forth in Part III herein and acknowledges that he violated the Act.

**PART V - MITIGATING FACTORS**

23. The Respondent acknowledges and accepts responsibility for his conduct which is the subject matter of this Agreement.
24. The Respondent cooperated with the investigation of this matter.
25. The Respondent consented to the January 19, 2017 undertaking with the Director of Enforcement and has upheld the terms of that undertaking.

**PART VI – TERMS OF SETTLEMENT**

26. The terms of settlement are set forth in the order contained in Schedule "A" to this Agreement which is expressly incorporated herein.
27. The Respondent consents to the order contained in Schedule A.

**PART VII – COMMITMENTS**

28. If this Agreement is approved and the Order as set out in Schedule A is granted, the parties agree to waive any right to a full hearing and judicial review and appeal of this matter.
29. If this Agreement is approved by the Commission, the parties will not in any way make any statement, public or otherwise, that is inconsistent with the terms of this Agreement.

30. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement as set out in the Order attached as Schedule A.
31. If, for any reason whatsoever, this Agreement is not approved, or the Order set forth in Schedule A is not granted by the Commission:
- a. The Director of Enforcement and the Respondent will be entitled to proceed to a hearing of the allegations which are the subject matter of this Agreement unaffected by the Agreement or the settlement negotiations;
  - b. The terms of the Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of the Director of Enforcement 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 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.
32. The Respondent acknowledges that the Director of Enforcement has the discretion to withdraw from this Agreement if additional facts or issues are discovered that cause him to conclude that it would not be in the public interest to request approval of this Agreement. In the event of such withdrawal, notice will be provided to the Respondent in writing and the provisions of paragraph 31 of this Agreement will apply.

#### **VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

33. The Director of Enforcement or the Respondent may refer to any or all parts of this Agreement as required by Rule 15-501 – General Rules of Practice and Procedure and in the course of the Settlement Hearing. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to it until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

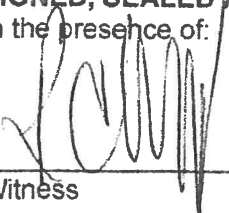
**IX – EXECUTION OF SETTLEMENT AGREEMENT**

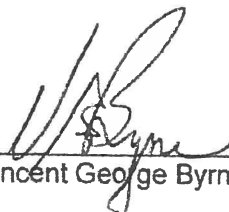
34. This Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

DATED at Amherst, Nova Scotia, this 7<sup>th</sup> day of February 2018.

**SIGNED, SEALED AND DELIVERED**

In the presence of:

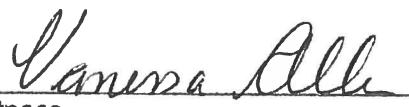
  
\_\_\_\_\_  
Witness

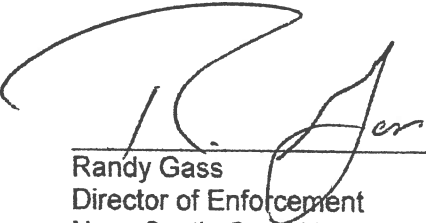
  
\_\_\_\_\_  
Vincent George Byrne

DATED at Halifax, Nova Scotia, this 8<sup>th</sup> day of February 2018.

**SIGNED, SEALED AND DELIVERED**

In the presence of:

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Randy Gass  
Director of Enforcement  
Nova Scotia Securities Commission  
Enforcement Branch

**VANESSA F. ALLEN**  
A Commissioner of the Supreme  
Court of Nova Scotia



**Schedule A**

IN THE MATTER OF  
THE SECURITIES ACT, R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("ACT")

-and-

IN THE MATTER OF VINCENT GEORGE BYRNE  
("Respondent")

**ORDER**  
(Sections 134 and 135)

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3. Pursuant to section 134(1)(b) of the Act, the Respondent shall, for a period of three years from the date of this order, cease trading in securities beneficially owned by anyone other than himself, with the exception of those persons listed in Appendix A to this order, which shall not be made public;
4. Pursuant to section 134(1)(c) of the Act, all of the exemptions contained in Nova Scotia securities laws do not apply to the Respondent for a period of ten years from the date of this order;



5. Pursuant to section 134(1)(d)(ii) of the Act, the Respondent shall be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for a period of five years from the date of this order;
6. Pursuant to section 134(1)(f) of the Act, that terms and conditions of close supervision and monthly reporting be imposed upon any grant of registration to the Respondent for a period of five years from the date of granting the registration;
7. Pursuant to section 134(1)(h) of the Act, the Respondent shall be reprimanded; and
8. Pursuant to sections 135(a) and (b) of the Act, the Respondent shall pay an administrative penalty in the amount of seven thousand five hundred dollars (\$7,500.00): five thousand dollars (\$5,000.00) of which is payable within 60 days from the date of this order, and two thousand five hundred dollars (\$2,500.00) of which is payable within six months of the date of this order.

DATED at Halifax, Nova Scotia, this \_\_\_\_ day of \_\_\_\_\_, 2018.

**NOVA SCOTIA SECURITIES COMMISSION**

\_\_\_\_\_  
Chair

RA