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Securities Commission

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Decision released on Douglas G. Rudolph, Peter A.D. Mill, CFG CN Ltd., and CanGlobe International Capital Inc.

Halifax – The Nova Scotia Securities Commission has issued its decision on allegations of securities laws violations against Douglas G. Rudolph, Peter A.D. Mill, CFG*CN Ltd., and CanGlobe International Capital Inc. (the Respondents) following a public hearing held in November and December 2020, and February 2021.

The Commission Hearing Panel found that the Respondents obtained investments from Nova Scotians and others through issuances of promissory notes and loan agreements in a scheme involving abused trust and deception. This involved practices that include the following violations of Nova Scotia securities laws:

- perpetrating fraud;
- engaging in unfair practices;
- acting as dealers without registration;
- making illegal distributions of securities;
- giving undertakings with respect to the future value of securities, with the intention of effecting a trade in such securities; and
- making untrue statements material to an investor with the intention of effecting a trade in securities.

Rudolph was also found to have violated Nova Scotia securities laws by acting as an adviser without registration.

Stephanie Atkinson, Director of Enforcement for the Commission, notes that the element of trust played a key role in witnesses' decisions to invest with the Respondents. This allowed the Respondents to provide sparse detail as to the nature of their purported investment opportunity.

"Questions at the time of making the investments that are met with vague responses, broad notions of confidentiality and privacy, false assurances, guarantees of payment, without any discussion about the risks of the investment, are all red flags for investment fraud," says Atkinson. "Disclosure is the foundation of securities regulation. Transparency through disclosure helps investors make informed financial decisions and enables market mechanisms to price risk and deter fraud."

"Verify registration. Ask questions. Ask for disclosure. Ask about risk. Becoming an informed investor is the best way to protect your financial well-being," says Atkinson. "If your investment questions cannot be answered, are met with unclear responses, veiled

statements of confidentiality, or a general lack of disclosure, take a step back. This is indicative of a scam.”

The sanction and penalty phase of the hearing will be done by written submissions of the parties and the decision on sanction and penalty will be released after the Hearing Panel’s consideration of the parties’ submissions.

For complete details of the Hearing Panel’s [decision](#), please visit the Nova Scotia Securities Commission [website](#).

The Nova Scotia Securities Commission is the provincial government agency responsible for regulating trading in securities and derivatives in the province.

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