

IN THE MATTER OF
THE *SECURITIES ACT*, RSNS 1989, CHAPTER 418, AS AMENDED (*Act*)

- and -

IN THE MATTER OF
FREDRICK THOMAS SATURLEY, ADRIAN THOMAS SATURLEY,
AND HIGH TIDE WEALTH MANAGEMENT INC. (Respondents)

NOTICE OF HEARING
(Sections 134, 135, and 135A of the *Act*)

TAKE NOTICE that the Nova Scotia Securities Commission (“Commission”) will hold a hearing pursuant to sections 134, 135, and 135A of the *Act* at the offices of the Commission located at Suite 400, 5251 Duke Street, Duke Tower, Halifax, Nova Scotia, or such other place as the Commission may designate on notice to the parties, on a date and time to be designated by the Commission;

AND TAKE NOTICE that the purpose of the hearing will be for the Commission to consider whether it is in the public interest for the Commission to make:

1. An order pursuant to section 134 of the *Act* that the Respondents be sanctioned in a manner to be determined by the Commission;
2. An order pursuant to section 135 of the *Act* that the Respondents pay an administrative penalty in an amount to be determined by the Commission;
3. An order pursuant to section 135A of the *Act* that the Respondents pay costs in connection with the investigation and conduct of the proceedings before the Commission; and
4. Such other order as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations of the Director of Enforcement for the Commission (“Director of Enforcement”) dated the 24th day of December, 2025 attached to this Notice of Hearing and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE NOTICE that disclosure of evidence and copies of documents to be presented at the hearing will be provided in accordance with Rule 15-501 General Rules of Practice and Procedure and any orders granted by the Commission;

AND TAKE NOTICE that any party to the proceeding may be represented by legal counsel or an authorized agent;

AND TAKE NOTICE that the Respondents shall provide written notice to the Commission, at least seven days prior to the date of the hearing, of its intention to attend the hearing, and if no such notice is provided within this time or upon the failure of any party to attend at the hearing, the hearing may proceed in the absence of that party and an order granted and such party is not entitled to any further notice of the proceeding without leave of the Commission;

AND TAKE NOTICE that orders made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Notice of Hearing, contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

DATED at Halifax, Nova Scotia, this 29th day of December, 2025.

NOVA SCOTIA SECURITIES COMMISSION

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line and a dot.

A. Douglas Harris, Secretary

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STATEMENT OF ALLEGATIONS

BACKGROUND

1. The Director of Enforcement (**Director**) of the Nova Scotia Securities Commission (**Commission**) makes the following allegations against the Respondents Fredrick Thomas Saturley (**Fred Saturley**), Adrian Thomas Saturley (**Adrian Saturley**), and High Tide Wealth Management Inc. (**HTWM**).
2. HTWM is a Nova Scotia limited company with registered office in Halifax, Nova Scotia. HTWM was incorporated under the name Turnpointe Wealth Management Inc. in April 2009 and operated under that name until March 2018.
3. HTWM was a registered portfolio management firm under Nova Scotia securities laws from September 9, 2010 to January 22, 2021. HTWM was also registered as a portfolio manager in Newfoundland and Labrador, New Brunswick, Ontario, and Alberta over various dates during this period.
4. Fred Saturley is an individual resident in Halifax, Nova Scotia.
5. At all material times hereto, Fred Saturley was the Director, President, and head portfolio manager of HTWM.
6. Under Nova Scotia securities laws, Fred Saturley was registered as an advising representative (portfolio manager) and Ultimate Designated Person (**UDP**) of HTWM from September 9, 2010 to January 22, 2021, and the Chief Compliance Officer (**CCO**) of HTWW from September 9, 2010 to February 3, 2015. He was also registered under these categories in Newfoundland and Labrador, New Brunswick, Ontario, and Alberta over various dates during this period.
7. Adrian Saturley is an individual resident in Halifax, Nova Scotia.
8. Under Nova Scotia securities laws, Adrian Saturley was employed and registered as an associate advising representative (portfolio manager) at HTWM from February 15, 2013 until February 18, 2015 when he became an advising

representative (portfolio manager) and the Chief Compliance Officer (CCO) of HTWM. He was registered under these categories until January 22, 2021. He was also registered as advising representative (portfolio manager) and CCO in Newfoundland and Labrador, New Brunswick, and Ontario over various dates during this period.

9. At all times material hereto, the Respondents provided portfolio management services to HTWM clients in all jurisdictions where they were registered and primarily to clients in Nova Scotia.

RESPONDENTS' PORTFOLIO MANAGEMENT SERVICES

10. At all times material hereto, the Respondents provided full discretionary portfolio management services to HTWM clients.
11. The Respondents had full discretionary authority to arrange for or provide to HTWM clients execution, custodial, administrative, and investment management services, including the authority to purchase and sell securities and make all investment decisions in respect of client accounts.
12. Having full discretionary management authority, the Respondents had a fiduciary duty to act in HTWM clients' best interests.
13. HTWM used National Bank Independent Network (NBIN) as the custodian for client assets under management (AUM) and provider of margin accounts.
14. The Respondents did not tailor management of HTWM client accounts to match individual client needs and objectives.
15. Between 2010 and 2020, the Respondents recommended to and employed for HTWM clients the same high-risk investment strategies involving equity options.
16. The Respondents required HTWM clients to open margin accounts through NBIN to facilitate their high-risk investment strategies.
17. Trading options was a key feature of the Respondents' business model, including aggressively oriented and highly leveraged trading of covered and uncovered puts and calls on leveraged exchange-traded funds (ETFs) and other securities.
18. The Respondents failed to adequately inform HTWM clients about the level of risk underlying such strategies.
19. The Respondents indiscriminately employed such strategies without taking any or an adequate account of HTWM clients' respective risk tolerance, time horizon, investment objectives, investment knowledge, age, income, or net worth.

- 20.** As of March 2020, 129 of 141 HTWM clients held high-risk uncovered options as a percentage of their portfolio, though only 13 of these clients were noted to have a high-risk tolerance.
- 21.** The Respondents failed to accurately record and maintain know-your-client (**KYC**) information about HTWM clients' risk tolerance, investment objectives, and investment knowledge. The Respondents frequently overstated risk tolerance and investment knowledge on KYC forms.
- 22.** The Respondents provided discretionary management services according to investment policy statements (**IPS**) completed for each client. These IPS were frequently mismatched to HTWM clients' KYC forms in fact and substance.
- 23.** In employing the same investment strategies regardless of client needs and objectives, the Respondents failed to assess suitability on an individualized basis. Rather, the Respondents' suitability assessments were backward-looking seeking to find factors to support the use of the Respondents' favoured strategies and ignoring KYC information that would militate against choosing high-risk and high-leverage investment products and strategies.
- 24.** HTWM did not have or maintain any policies, guidance, or restrictions on the use of high-risk investment strategies in client portfolios.

NBIN MARGIN CALLS

- 25.** In early 2020, the market experienced significant volatility.
- 26.** On March 9, 2020, NBIN issued margin calls to HTWM clients holding open positions and whose margin accounts had fallen below the required ratio.
- 27.** The Respondents did not contact HTWM clients subject to NBIN's margin calls until, at the earliest, Friday, March 13, 2020, and in most cases not before Saturday, March 14, 2020.
- 28.** As a result of this delayed notification, HTWM clients were not given adequate or any opportunity to understand the situation, seek appropriate advice, weigh their options, manage their financial affairs, and respond to the NBIN margin calls to their best advantage.
- 29.** Upon learning of the margin calls, some HTWM clients sought advice, guidance, or information from the Respondents. These clients were met with no response or brief responses that did not provide meaningful advice, guidance or requested information.

30. Because the Respondents failed to explain or adequately explain the meaning or risks of margins to HTWM clients nor the potential consequences of a margin call, many clients were left confused during the volatility and NBIN margin calls of March 2020.
31. The Respondents engaged in trading in an effort to cover the NBIN margin calls during the week of March 9 to 13, 2020. The trading was insufficient to cover margin deficits in most HTWM client accounts.
32. Unlike most HTWM client accounts, however, the Respondents' trading during this time fully covered the margin deficits in accounts held by HTWM employees and relations of employees. The Respondents inappropriately and unfairly prioritized trading in and allocations to these accounts over other HTWM client accounts.
33. By Monday, March 16, 2020, the Respondents had failed to bring their positions back in order or to offer a feasible plan to NBIN to do so. As of same date, in accordance with its rights under agreements with HTWM and HTWM clients, NBIN began liquidating HTWM clients' positions to cover margin deficits. This crystallized substantial losses for HTWM clients.
34. The market volatility in early 2020 illustrated the negative consequences of the unsuitability of the Respondents' portfolio management decisions. The combined effect of diminished investment values, margin calls, and continuing debt obligations caused substantial personal and financial hardship and loss and for HTWM clients.
35. As of December 31, 2019, HTWM had 145 client relationships and over \$111 million of AUM.
36. As of March 31, 2020, HTWM's AUM had decreased to just under \$25 million.

VIOLATIONS OF NOVA SCOTIA SECURITIES LAWS

37. The Director identifies the following reasons for which the Commission should issue an order of administrative penalty, sanction, and costs.

LACK OF COMPLIANCE CONTROLS

38. The Respondents violated parts 5.1, 5.2, and 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) by:
- a. Employing high-risk investment strategies for a majority of clients while failing to maintain and adhere to adequate policies and restrictions on the use of such strategies;

- b.** Failing to maintain and adhere to adequate internal compliance and supervision controls, particularly with respect to the implementation of a satisfactory suitability assessment process;
- c.** Failing to manage the risks associated with its business in accordance with prudent business practices;
- d.** UDP's failure to properly supervise the overall activities of the Respondents to ensure compliance with Nova Scotia securities laws;
- e.** CCO's failure to monitor and assess the Respondents' compliance with Nova Scotia securities laws;
- f.** CCO and UDP's failure to demonstrate proficiency in or an understanding of the regulatory and fiduciary responsibilities of portfolio manager registration.

UNSUITABLE INVESTMENTS AND INADEQUATE KYC INFORMATION

39. The Respondents violated parts 13.2 and 13.3 of NI 31-103 by:

- a.** Failing to adequately collect and maintain up-to-date, accurate KYC information for clients;
- b.** Failing to adequately assess the suitability of investment strategies and products on an individual client basis;
- c.** Employing unsuitable investment strategies for clients.

UNFAIR PRACTICE AND FAILURE TO TREAT CLIENTS FAIRLY, HONESTLY, AND IN GOOD FAITH

40. The Respondents failed to exercise the fiduciary duties required of portfolio managers and treat clients fairly, honestly, and in good faith in violation of sections 39A (1) and (2) and 44A(2) of the Act and parts 13.4 and 14.10 of NI 31-103 by:

- a.** Employing a high-risk, high-leverage investment strategy for a majority of clients while failing to anticipate and prepare for, adequately or at all, instances of increased market volatility that could negatively impact a significant of client accounts simultaneously;
- b.** Failing to explain the risks of uncovered options and margin accounts to clients prior to choosing investment strategies;
- c.** Failing to notify clients regarding the NBIN margin calls in a timely manner;
- d.** Failing to communicate with and advise clients regarding the impacts of and options to respond to the NBIN margin calls in a timely manner or at all;

- e. Responding to the NBIN margin calls by prioritizing accounts held by HTWM employees and relations of employees over other HTWM client accounts with respect to trading efforts and trading allocations.

CONDUCT CONTRARY TO THE PUBLIC INTEREST

- 41. The Respondents' conduct was contrary to the public interest and undermined investor confidence in the fairness and integrity of Nova Scotia's capital markets.

CONCLUSION AND RELIEF SOUGHT

- 42. Based on the above allegations and such other allegations as the Director may advise and the Commission may permit, the Director says the Respondents have failed to meet their obligations as registrants under Nova Scotia securities laws.
- 43. The Director seeks orders against the Respondents under sections 134, 135, and 135A of the *Act*.

SIGNED at Halifax, Nova Scotia, this 24th day of December, 2025.



Stephanie Atkinson
Director of Enforcement
Nova Scotia Securities Commission