

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

-and-

IN THE MATTER OF STEVEN JAY BROWN ("Respondent")

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The parties to this Settlement Agreement ("Agreement") are the Respondent and the Director of Enforcement for the Nova Scotia Securities Commission, Enforcement Branch ("Director of Enforcement").
2. The parties agree that the Nova Scotia Securities Commission ("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. The Director of Enforcement 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 Part of the Agreement.
9. The Respondent is a resident of Halifax, Nova Scotia.

OB RA

10. Sunseeker Energy Limited ("SSE Limited") was a Hong Kong based company, formed in 2004 and involved in solar energy technology.
11. Sunseeker Energy Holding AG ("SSE Holding") is a Switzerland based holding company formed in 2009.
12. Sunseeker Energy North America Inc. ("SSE-NA") was a subsidiary of SSE Limited, incorporated in the United States in September 2008. It ceased operating in 2010.
13. In July of 2007 and again in November of 2007, the Respondent purchased \$20,000 USD worth of SSE Limited shares priced at \$0.50 USD per share, learning about the company through on-line forums.
14. The Respondent, on his own initiative, began to access on-line forums and encourage individuals to invest in SSE Limited by contacting him for information on how to buy the shares.
15. In June of 2008 the Respondent spoke on a North-American wide conference call for potential investors where he was introduced as the "person raising capital for Sunseeker in North America." During the call the Respondent stated:
 - a. SSE Limited shares were selling at a price of \$0.25 USD per share;
 - b. SSE Limited was about to launch on the Frankfurt Exchange at a price of €1.80, or approximately \$2.85 USD;
 - c. When shares open at €1.80, investors would make 11 times their investment.
 - d. Brokers indicated that the shares would jump to €6.00 within 2 weeks;
 - e. If the brokers were correct, then shares would be worth 40 times the original investment;
 - f. In July 2008 he would be traveling to Bangkok, Thailand to meet with SSE Limited's founder, Colin McAskill, to discuss and begin formulating SSE-NA efforts.
16. In June of 2008, the Respondent prepared and distributed a document titled "Bank Transfer Instructions for Share Purchase" that contained information on how to wire funds to SSE Limited's bank account in Hong Kong, for the purpose of assisting potential investors complete share purchases. The Respondent also prepared and distributed an "Executive Summary", which stated that "*Sunseeker Energy Limited (Hong Kong) is listing on the Frankfurt Exchange in Germany later this month. Our market maker is Peter Koch GmbH Securities Trading Bank. The share price will open at 1.8 Euros (€) or approximately \$2.85 USD. If you are interested in investing in Sunseeker Energy Limited or would simply like a detailed Information Memorandum, please email or call Steve Brown.*" Both of these forms included the Respondent's phone number and email address as the contact.

SB RA

17. As a result of his contributions to SSE-NA, the Respondent was issued approximately 1.21 million shares in SSE Limited, bringing his total shares to 1,250,000.
18. In November of 2008, SSE Limited provided instructions to shareholders to transfer their shares to SSE Holding.
19. In February of 2009, SSE Holding listed on the Frankfurt Exchange. The share price opened at €1.80, and then quickly dropped. By November 2011, the shares of SSE Holding were trading for less than €0.10, and on November 15, 2011, SSE Holding was delisted from the Frankfurt Exchange.
20. SSE-NA ceased operations in 2010.
21. By publicly encouraging individuals to purchase shares of SSE Limited, and by distributing documents to potential investors to facilitate trades in 2008, the Respondent acted in furtherance of trades in securities without being registered with the Commission to do so, thereby breaching section 31(1)(a) of the Act, as rep. by S.N.S. 2008, c. 32, s. 6.
22. By representing to the public that the future value of the shares of SSE Limited would be up to 40 times the original investment, the Respondent breached section 44(2) of the Act.
23. By representing, without the written permission of the Director of the Commission, that the shares of SSE Limited would be listed on the Frankfurt Exchange, the Respondent breached section 44(3) of the Act, as rep. by S.N.S. 2012 c. 34, s. 14.
24. As a result of his failure to comply with Nova Scotia securities laws, the Respondent acted contrary to the public interest and undermined confidence in the fairness and efficiency of the capital markets.

PART IV – STATEMENT OF ALLEGATIONS ACKNOWLEDGED AND ADMITTED BY THE RESPONDENT

25. The Respondent admits the facts set forth in Part III herein and acknowledges that he violated Nova Scotia securities laws.
26. The Respondent acknowledges and admits that he violated section 31(1)(a) of the Act, as rep. by S.N.S. 2008, c. 32, s. 6, section 44(2) of the Act, and section 44(3) of the Act, as rep. by S.N.S. 2012 c. 34, s. 14.
27. The Respondent acknowledges that his actions undermined investor confidence in the fairness and efficiency of capital markets and were contrary to the public interest.

BR

PART V – MITIGATING FACTORS

- 28. The Respondent acknowledges and accepts responsibility for his conduct which is the subject matter of this Agreement.
- 29. The Respondent cooperated with the investigation of this matter.
- 30. The Respondent has no prior disciplinary record with the Commission.

PART VI – TERMS OF SETTLEMENT

- 31. The terms of settlement are set forth in this Agreement and in the Order contained in Schedule "A" to this Agreement, which is expressly incorporated herein.
- 32. The Respondent consents to the Order contained in Schedule "A".

PART VII – COMMITMENTS

- 33. 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.
- 34. 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.
- 35. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement.
- 36. 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 negotiations, the terms of the Agreement and 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

JRA

- 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.
37. 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 paragraphs 39(a) and 39(b) of this Agreement will apply.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

38. The Director of Enforcement or the Respondent may refer to any or all parts of this Agreement as required by the 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.

DR

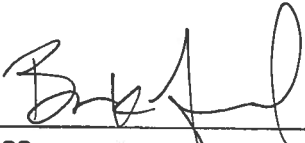
PART IX – EXECUTION OF SETTLEMENT AGREEMENT

39. 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.

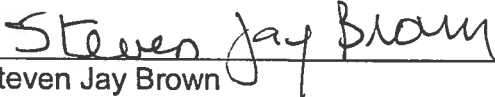
DATED at Halifax, Nova Scotia, this 19 day of June, 2014.

SIGNED, SEALED AND DELIVERED

In the presence of:



Witness **BRIAN AWAD**
A Barrister of the Supreme
Court of Nova Scotia

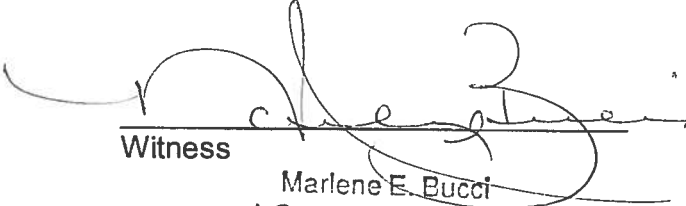


Steven Jay Brown

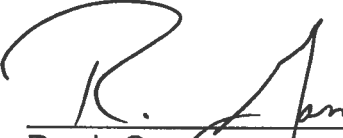
DATED at Halifax, Nova Scotia, this 24th day of June, 2014.

SIGNED, SEALED AND DELIVERED

In the presence of:



Witness **Marlene E. Bucci**
A Commissioner of the
Supreme Court of Nova Scotia



Randy Gass
Director of Enforcement
Nova Scotia Securities Commission
Enforcement Branch

SCHEDULE "A"

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

-and-

IN THE MATTER OF STEVEN JAY BROWN ("Respondent")

**ORDER
(Sections 134, 135 and 135A)**

WHEREAS on _____, 2014, the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing to the Respondent pursuant to sections 134, 135 and 135A of the Act;

AND WHEREAS the Respondent entered into a Settlement Agreement with the Director of Enforcement for the Commission ("Director of Enforcement") whereby it 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 upon hearing submissions of counsel for the Director of Enforcement and the Respondent;

IT IS HEREBY ORDERED that:

1. The Settlement Agreement dated _____, a copy of which is attached, is approved;
2. Pursuant to section 134(1)(a) of the Act, the Respondent comply with and cease contravening Nova Scotia securities laws;
3. Pursuant to section 134(1)(c) of the Act, that all of the exemptions contained in Nova Scotia securities laws do not apply to the Respondent for a period of twenty (20) years;
4. Pursuant to section 134(1)(d), the Respondent be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for a period of twenty (20) years;



5. Pursuant to section 134(1)(g) of the Act, that the Respondent be prohibited from becoming or acting as a registrant, investment fund manager or promoter for a period of twenty (20) years;
6. Pursuant to section 134(1)(h) of the Act, that the Respondent be reprimanded;
7. Pursuant to section 135(a) and (b) of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of seven thousand five hundred dollars (\$7,500); and
8. Pursuant to section 135A of the Act, the Respondent shall forthwith pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of one thousand dollars (\$1,000.00).

DATED at Halifax, Nova Scotia, this _____ day of _____, 2014.

NOVA SCOTIA SECURITIES COMMISSION

(Chair)

JRA