

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

- and -

IN THE MATTER OF JOHN GEORGE FREDERICK CAMPBELL
("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.

Background:

9. The Respondent is a resident of Nova Scotia.
10. The Respondent was a registrant under the Act as follows:

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- a) During the period March 14, 2003 to January 28, 2009, inclusive, with BMO Nesbitt Burns Inc.;
 - b) During the period April 17, 2009 to October 31, 2010, inclusive, with Scotia Capital Inc.; and
 - c) During the period March 22, 2011 to present, inclusive, with Scotia Securities Inc.
11. The Respondent is currently registered as a Dealing Representative (Mutual Fund Dealer) and a Branch Manager (MFDA Members only) (Mutual Fund Dealer) with Scotia Securities Inc.

Sections 61 and 30(1) of the Regulations:

12. At all material times hereto, the Respondent was registered as a Registered Representative (Retail) with BMO Nesbitt Burns Inc.
13. On or about November 4, 2008, the Respondent received notice that one of his clients wanted to transfer his RRSP account, in cash, to another firm.
14. The Respondent attempted to call his client to confirm these instructions, but could not reach him.
15. On or about November 7, 2008, a representative of the Bank of Montreal (an affiliated entity of BMO Nesbitt Burns), was able to reach the Respondent's client and discuss his instructions. The Respondent was told by this representative that the Respondent's client wanted to stop the transfer.
16. Previously, the Respondent had his client sign a blank letter of authorization which he retained on file.
17. In order to stop the transfer, the Respondent wrote a new letter of direction and placed the new letter over the signed blank letter of authorization. He proceeded to scan the letters so that his client's old signature appeared on the new letter of direction.
18. The Respondent then used a signature guarantee stamp to guarantee that the client had signed the letter of direction to stop the transfer.
19. The Respondent's employment with BMO Nesbitt Burns Inc. was terminated for cause on January 28, 2009 as a result of his actions set out in paragraphs 12 to 18 of this Agreement.
20. By falsifying a client document, the Respondent failed to deal fairly, honestly, and in good faith with his client in violation of section 61 of the *Regulations* as rep. by *Nova Scotia Securities Commission Rule 31-801*, (28 September 2009).
21. By falsifying a client document and by keeping a blank signed letter of authorization on file, the Respondent failed to maintain books and records necessary to properly

record its business transaction in violation of section 30(1) of the *Regulations* as rep. by *Nova Scotia Securities Commission Rule 31-801*, (28 September 2009).

Section 1A(1) of the Act:

22. By falsifying a client document and by keeping a blank signed letter of authorization on file, the Respondent acted in a manner which undermined investor confidence in the fairness and efficiency of capital markets and was contrary to the public interest.

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

23. The Respondent admits the facts set forth in Part III herein and acknowledges that he violated Nova Scotia securities laws.
24. The Respondent acknowledges and admits that he violated sections 61 and 30(1) of the *Regulations* as rep. by *Nova Scotia Securities Commission Rule 31-801*, (28 September 2009).
25. The Respondent acknowledges that his actions undermined investor confidence in the fairness and efficiency of capital markets and were contrary to the public interest.

PART V – MITIGATING FACTORS

26. The Respondent acknowledges and accepts responsibility for his conduct which is the subject matter of this Agreement.
27. The Respondent cooperated with the Director of Enforcement's investigation of this matter.
28. The Respondent has no prior history of violations of Nova Scotia securities laws.
29. The Respondent's employment with BMO Nesbitt Burns Inc. was terminated for cause on January 28, 2009 as a result of his actions set out in paragraphs 12 to 22 of this Agreement.
30. The Respondent was required to reimburse BMO Nesbitt Burns Inc. in the amount of \$4,240.14 for the loss suffered by his client associated with the client's attempt to transfer the account.
31. The Respondent's client maintains his confidence in the abilities of the Respondent to carry out his responsibilities pursuant to Nova Scotia securities laws.
32. On April 17, 2009, the Respondent's registration was reinstated with conditions.
33. The conditions on registration imposed by the Commission included six months of close supervision by Scotia Capital Inc. The Respondent was also required to rewrite the Conduct and Practices Handbook exam within three months of the date of reinstatement.

34. The Respondent satisfied these conditions.
35. Subsequent to this, the Respondent voluntarily completed the Branch Managers Course and Branch Compliance Officers Course offered by the Canadian Securities Institute.
36. During the period October 31, 2010 to March 22, 2011, the Respondent resigned from his employment with Scotia Capital Inc. and voluntarily revoked his registration pursuant to the Act to pursue other opportunities.

PART VI – TERMS OF SETTLEMENT

37. The terms of settlement are set forth in the Order contained in **Schedule “A”** to this Agreement which is expressly incorporated herein.
38. The Respondent consents to the Order contained in **Schedule “A”**.

PART VII – COMMITMENTS

39. 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.
40. 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.
41. 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”**.
42. 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.
43. If, in the view of the Director of Enforcement and prior to the approval of this Agreement by the Commission, there are new facts or issues of substantial concern regarding the facts set out in Part III of this Agreement, the Director of Enforcement

will be at liberty to withdraw from this 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 42 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

44. 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.


IX – EXECUTION OF SETTLEMENT AGREEMENT

45. 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.

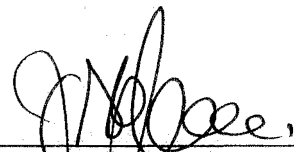
Dated at Halifax, Nova Scotia, this 10th day of ^{Aug} July, 2012.

SIGNED, SEALED AND DELIVERED

In the presence of:



Witness
NANCY I. MURRAY, Q.C.




John G.F. Campbell

Dated at Halifax, Nova Scotia, this 16 day of ^{August} July, 2012. ¹⁷

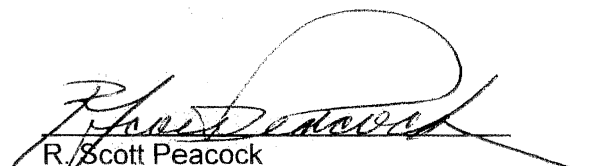
SIGNED, SEALED AND DELIVERED

In the presence of:



Witness

STEPHANIE ATKINSON
A Barrister of the Supreme
Court of Nova Scotia



R. Scott Peacock
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 JOHN GEORGE FREDERICK CAMPBELL
("Respondent")

ORDER

(Sections 134(1)(a), 135, and 135A)

WHEREAS on _____, 2012 the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing to the Respondent pursuant to sections 134(1)(a), 135, and 135A of the Act;

AND WHEREAS the Respondent entered into a Settlement Agreement with the Director of Enforcement for the Nova Scotia Securities Commission, Enforcement Branch ("Director of Enforcement"), whereby he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS the Director of Enforcement recommended approval of the Settlement Agreement;

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

AND UPON the Commission considering it to be in the public interest to make this Order;

IT IS HEREBY ORDERED that:

1. The Settlement Agreement dated _____, 2012, a copy of which is attached, is approved;
2. Pursuant to section 134(1)(a) of the Act, the Respondent shall comply with Nova Scotia securities laws;
3. Pursuant to section 135 of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of seven thousand five hundred dollars (\$7,500.00); and
4. 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 five thousand dollars (\$5,000.00).

DATED at Halifax, Nova Scotia, this _____ day of _____ 2012.

Page -7-

John George Frederick Campbell
Settlement Agreement

NOVA SCOTIA SECURITIES COMMISSION

(Chairman)