

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

-AND-

IN THE MATTER OF  
CANACCORD CAPITAL CORPORATION  
("RESPONDENT")

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Parties to this Settlement Agreement ("Agreement") are the Respondent and Staff of the Nova Scotia Securities Commission ("Staff").
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. Staff 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. Staff and Respondent agree with the facts and conclusions set out in this Part of the Agreement.



9. The Respondent is a registered Investment Dealer with the Commission. The Respondent's employee, John Brodie ("Brodie"), was registered as a representative, in the province of Nova Scotia, as of December 6, 2005.
10. Between April 11, 2007 and August 3, 2007, Brodie executed seven trades in securities without documenting his client's instructions.
11. The Respondent did not maintain any information concerning its client's instructions regarding the purchase of securities.
12. The Respondent did not meet the requirements to maintain adequate books and records.
13. The Respondent did not establish procedures that conform to prudent business practices in accordance with Nova Scotia securities law.
14. By allowing Brodie to conduct transactions without documenting client instructions, the Respondent violated subparagraph 30(3)(f)(i) of the Nova Scotia Securities Regulations ("Regulations").

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

15. The Respondent acknowledges and admits that it violated paragraph 30(3)(f) and subsection 31(1) of the Regulations.
16. The Respondent acknowledges that its actions were contrary to the public interest.
17. Respondent admits the facts set forth in Part III herein and acknowledges that it violated the Act.

#### **PART V – MITIGATING FACTORS**

18. The Respondent acknowledges and accepts responsibility for its conduct which is the subject matter of this Agreement.
19. The Respondent reaffirms its commitment to continuing to ensure that its policies and procedures conform to Nova Scotia securities law.
20. The Respondent fully cooperated in the investigation of this matter.



**PART VI – TERMS OF SETTLEMENT**

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

**PART VI – COMMITMENTS**

23. 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.
24. 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.
25. 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”.
26. 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. Staff 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 Staff and the Respondent or as may otherwise be required by law; and
  - c. The Respondent agrees that it 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.
27. If, in the view of Staff 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, Staff will be at liberty to withdraw from this Agreement. Notice of such intention will be provided to Respondent in writing. In the event of such notice being given, the provisions of paragraph 27 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**


28. Staff 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, all Parties to it will treat this Settlement Agreement and its terms as confidential until approved by the Commission, and forever if, for any reason whatsoever, the Commission does not approve this settlement.

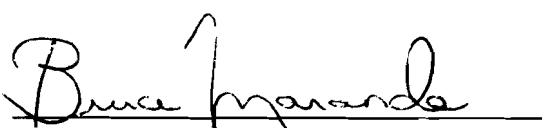
**IX EXECUTION OF SETTLEMENT AGREEMENT**

29. 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 this        day of November 2009.

SIGNED, SEALED AND DELIVERED  
In the presence of:

  
\_\_\_\_\_  
Witness

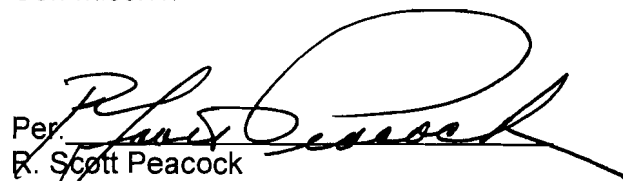
  
\_\_\_\_\_  
Per: Bruce Maranda  
Position: Chief Compliance Officer

Dated this 30<sup>th</sup> day of November 2009.

SIGNED, SEALED AND DELIVERED  
In the presence of:

  
\_\_\_\_\_  
Witness

Staff of the Nova Scotia Securities  
Commission

  
\_\_\_\_\_  
Per: R. Scott Peacock  
Director of Enforcement  
Nova Scotia Securities Commission

**SCHEDULE "A"**

IN THE MATTER OF THE SECURITIES ACT  
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- AND -

IN THE MATTER OF  
CANACCORD CAPITAL CORPORATION  
("RESPONDENT")

**ORDER**

(Sections 135, 135A)

**WHEREAS** on \_\_\_\_\_, 2009, the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing to the Respondent pursuant to sections 135 and 135A of the Act;

**AND WHEREAS** the Respondent entered into a Settlement Agreement with Staff of the Commission ("Staff") whereby it agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

**AND WHEREAS** Staff recommended approval of the settlement agreement;

**AND WHEREAS** the Commission is of the opinion that the Respondent has contravened the Act and it is in the public interest to make this Order;

**AND UPON** reviewing the settlement agreement and the Notice of Hearing, and upon hearing submissions of counsel for Staff and the Respondent;

**IT IS HEREBY ORDERED**, pursuant to sections 135 and 135A of the Act, that:

1. the Settlement Agreement dated November\_\_\_\_\_, 2009, a copy of which is attached, is approved;
2. pursuant to section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of fifty thousand dollars (\$50,000.00) forthwith; and
3. pursuant to section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of three thousand eight hundred dollars (\$3,800.00) forthwith;

DATED at Halifax, Nova Scotia, this \_\_\_\_\_ day of November, 2009.

NOVA SCOTIA SECURITIES COMMISSION

\_\_\_\_\_  
(Chairman)

