

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

AND

IN THE MATTER OF HEIDI WALSH SAMPSON

ORDER

(Conflict of Interest Rules, Section 10.1)

UPON the application of Heidi Walsh Sampson (the Applicant) to the Chair of the Nova Scotia Securities Commission (the Commission) for an order, pursuant to section 10.1 of the Conflict of Interest Rules (Conflict Rules) which were adopted November 2, 1994, and continued in effect by subsection 150A(7) of the Act as rules made under section 150 of the Act, granting the Applicant an exemption from subsections 9.2(b), (e) and (h) of the Conflict Rules;

AND UPON the Chair being unable to act in this matter;

AND WHEREAS, pursuant to section 16 of the Act, in the case of the Chair's inability to act, the Vice-chair shall exercise the powers of the Chair, and in such case all regulations, orders and other documents signed by the Vice-chair shall have the same force and effect as if signed by the Chair;

AND UPON considering the application;

AND UPON it being represented to the Vice-chair by the Applicant that:

1. By Order in Council dated April 27, 2017, the Applicant was appointed a member of the Commission on a part-time basis for a term of three (3) years;
2. The Applicant is actively engaged in the practice of law as Counsel with Patterson Law, a full-service law firm in Nova Scotia, which may include among its clients reporting issuers and registrants under the Act;
3. The Applicant's personal law practice is in the area of corporate law and includes among her clients issuers for which she acts as general corporate counsel (Close-Relationship Clients);
4. The Applicant may in the future be retained to act as general corporate counsel for other issuers (also Close-Relationship Clients) and intends to advise such Close-Relationship Clients that she will not provide Securities Law Advice, as defined in this Order, to them, but that such advice will be provided by one of the partners in Patterson Law;

5. Patterson Law has agreed that the Applicant will not provide Securities Law Advice to any of its clients and will not discuss a Securities Law Matter, as defined in this Order, with any partner or employee of Patterson Law in connection with the provision of services to its clients, other than private issuers as defined in National Instrument 45-106 *Prospectus Exemptions* (NI 45-106);

6. Patterson Law has implemented procedures to advise the Applicant of any Matter Before the Commission, as defined in this Order, and of any matter likely to come before the Commission concerning which Patterson Law is retained;

7. The Applicant's continuing to engage in the practice of law as Counsel of Patterson Law may be prohibited by subsections 9.2(b)(ii), (e) and (h) of the Conflict Rules;

AND UPON the Vice-chair being satisfied that it is desirable for the Commission to have available to it the knowledge and judgment of the Applicant, that therefore the prohibitions in section 9.2 of the Conflict Rules are inappropriate in the circumstances, and that the granting of an exemption from these prohibitions, subject to appropriate conditions, will not bring the administration of the Act into disrepute;

IT IS ORDERED pursuant to section 10.1 of the Conflict Rules that the Applicant is not prohibited by subsections 9.2(b), (e) or (h) of the Conflict Rules from engaging in the practice of law while serving as a member of the Commission, subject to the following conditions:

- A. that the Applicant does not participate in or discuss with the staff of the Commission (the Staff) any Matter Before the Commission
 - (i) concerning which Patterson Law is retained by a party other than the Commission, directly or indirectly;
 - (ii) involving or directly affecting a significant client of Patterson Law, even though Patterson Law has not been retained to act in connection with the Matter Before the Commission;
 - (iii) involving or directly affecting a Close-Relationship Client, even though Patterson Law has not been retained to act in connection with the Matter Before the Commission; or
 - (iv) involving a significant competitor of a Close-Relationship Client, if the Applicant is aware that a decision in the Matter Before the Commission may result in a significant competitive advantage to the Close-Relationship Client;
- B. that the Applicant does not provide any Securities Law Advice or discuss a Securities Law Matter with any partner or employee of Patterson Law in connection with the provision of advice to any client of Patterson Law,

except to a Close-Relationship Client where the Securities Law Advice is limited to identifying and advising the Close-Relationship Client or a partner or employee of Patterson Law of the existence of a securities law issue and the need to address it, and the Applicant does not participate further in the manner in which the issue is addressed by the Close-Relationship Client or Patterson Law;

- C. that the Applicant shall inform the Vice-chair of any new Close-Relationship Client, other than a Close-Relationship Client that is a private issuer, as defined in NI 45-106, which has not made a public offering of its securities, when she is so retained; and
- D. that the Applicant shall inform the Vice-chair of any Close-Relationship Client that is a private issuer, as defined in NI 45-106, that proposes to make a public offering of its securities.


AND IT IS ORDERED that the following terms, when used in this Order, shall have the meaning defined in or be construed in accordance with this paragraph:

- (i) a "Matter Before the Commission: means:
 - (a) an adjudicative proceeding, whether or not for disciplinary purposes, including an application for a ruling or order under the Act or the regulations;
 - (b) an investigation or inquiry under the Act, including a decision to appoint a person to make an investigation or conduct an inquiry and any interim decision relating to an investigation or inquiry;
 - (c) with respect to condition A(i), the making of a rule, the adoption of a policy, or the making of an order pursuant to section 151A of the Act exempting a category of persons, companies, trades or distributions; and
 - (d) with respect to conditions A(ii), (iii) and (iv), the making of a rule, the adoption of a policy, or the making of an order pursuant to section 151A of the Act exempting a category of persons, companies, trades or distributions, where the rule, policy or order is likely to affect the client or the competitor, as the case may be, in a manner that is significantly different than the manner in which the rule, policy or order is likely to affect other persons or companies subject to it;

- (ii) “Securities Law Advice” and a “Securities Law Matter” mean, respectively, advice or a matter involving advice with respect to the meaning or application of a provision of the Act or of any substantially identical act of another province or territory of Canada (Another Provincial Act), of a regulation, rule or policy under the Act or Another Provincial Act, or of any conduct or decision of the Commission under the Act or the regulations, but does not include advice or a matter relating to:
 - (a) a regulation, rule or policy under Another Provincial Act the subject matter of which is not dealt with in the Act or a regulation, rule or policy under the Act, as long as the transaction or matter to which the regulation, rule or policy applies does not otherwise require consideration of a Securities Law Matter;
 - (b) the bylaws, rules, policies or conduct of a stock exchange, except conduct concerning which the stock exchange is acting as a delegate of the Commission;
 - (c) a transaction in securities of a private issuer, as defined in NI 45-106, or any conduct of a private issuer, other than a public offering of its securities; and
 - (d) a Close-Relationship Client that is limited to informing the Close-Relationship Client or any partner or employee of Patterson Law of the existence of a securities law issue and the need to address it, but not the manner in which it may be addressed;
- (iii) the “significance” of a client, competitor, matter or effect shall be determined by the Applicant in light of the Applicant’s then existing knowledge, and if the Applicant has doubt about the significance of any client, competitor, matter or effect for purposes of this Order, she shall follow the procedure specified in section 10.2 of the Conflict Rules; and
- (iv) for greater certainty, the securities acts of all the provinces and territories of Canada are “substantially identical to the Act” as of the date of this Order.

AND IT IS ORDERED that the Staff shall be advised by the Commission that they are to deal with any Matter Before the Commission that involves a Close-Relationship Client or concerning which Patterson Law is retained on the same basis as the Staff would deal with any matter having no connection with the Applicant.

DATED at Halifax, Nova Scotia, this *16th* day of June, 2017.



Shirley P. Lee, Q.C.
Vice-chair