

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

-and-

IN THE MATTER OF GLENN FRANCIS DUNBAR ("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 this 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 Agreement.

GD  
RA

BACKGROUND

9. The Respondent was, at all material times a resident of Halifax, Nova Scotia.
10. The Respondent was registered with the Commission as a Dealing Representative with various mutual fund dealers beginning in April 1997. From July 2004 until October 2011, he was registered with Quadrus Investment Services Ltd. From December 2011, until his termination in December 2013, he held registration with Worldsource Financial Management Inc.
11. Since December 2012, the Respondent has not held registration with any securities commission in Canada or elsewhere.

CLIENTS AA AND BB

12. AA is a resident of Halifax, Nova Scotia. BB is also a resident of Halifax, Nova Scotia and the spouse of AA.
13. AA and BB became clients of the Respondent in 1999. AA and BB kept their accounts with the Respondent whenever he moved to a different firm and transferred their accounts with him whenever his registration was transferred to a new dealer.
14. AA and BB relied heavily on the Respondent for investment advice, following his recommendations and signing documentation as it was put in front of them.
15. Between August 2006, and December 2008, AA and BB wrote a number of cheques to the Respondent personally upon his request and in various amounts, totaling approximately \$56,000. AA and BB do not recall why these funds were provided to the Respondent, but no mutual funds or other investments were purchased with these funds for AA and BB.
16. In July 2008, the Respondent recommended that BB sell some mutual funds held in BB's RRSP account in order to re-purchase another mutual fund in the amount of \$202,614. There was no apparent benefit of this transaction to BB. However, the Respondent did receive a commission of approximately \$7,500 in relation to this transaction.
17. Between February 2009, and August 2011, the Respondent recommended that AA and BB direct some of their savings into an "off-shore" investment account. No such "off-shore" investment account was ever opened or existed on behalf of AA and BB. However, during this time, the Respondent:
  - a. requested and accepted cheques made out to him personally from AA and BB that totaled approximately \$149,500;

- b. advised AA and BB that the funds were being invested in an "off-shore" account;
  - c. did not open an "off-shore" investment account on behalf of AA and BB;
  - d. did not invest the funds received from AA and BB in an "off-shore" investment on their behalf;
  - e. used some of the funds received from AA and BB to fund his own personal expenses;
  - f. used some of the funds received from AA and BB as deposits back to AA and BB;
  - g. misled AA and BB into believing that their investments were producing returns, which were being deposited into AA and BB bank accounts;
  - h. failed to advise AA and BB that any monies being deposited into their bank accounts were being taken from their RRSP;
  - i. failed to advise AA and BB that their RRSP account had been depleted;
  - j. failed to advise AA and BB of the income tax consequences of the depleted RRSP account, which amounted to approximately \$53,000; and
  - k. failed to advise AA and BB of the fees associated with depleting the RRSP account, which amounted to approximately \$25,000.
18. Between September 2011, and November 2012, the Respondent provided cheques to AA and BB in the amount of approximately \$71,371.

CLIENT CC

19. CC is a resident of Toronto, Ontario. She was referred to the Respondent by AA and BB.
20. In or around December 2010, CC spoke with the Respondent regarding her investments. In December 2010, CC wrote a cheque to the Respondent, personally, at his request, in the amount of \$2,500 for the purposes of investing in an RRSP. The Respondent did not deposit these funds into an RRSP, instead, he deposited the cheque into his bank account and used the money for his personal expenses.

CLIENT DD

21. DD is a resident of Kentville, Nova Scotia, and at all relevant times was a client of the Respondent.
22. In September 2011, the Respondent contacted DD and recommended he invest in a land development deal in the United States. DD wrote a cheque to the Respondent personally, in the amount of \$20,000 believing that it would be invested in this land development deal.
23. On March 30, 2012, the Respondent solicited DD for a further \$20,000 investment in the land development deal. Upon the request of the Respondent, DD wrote a

second cheque to the Respondent personally in the amount of \$20,000, again believing that these funds would be invested in the land development deal.

24. The Respondent failed to invest the funds received from DD in a land development deal. Rather, the funds received from DD were deposited into the Respondent's personal bank account and used to provide money to AA and BB.
25. In March 2013, the Respondent used personal funds and paid DD approximately \$31,000.

CLIENT EE

26. EE is a resident of Dartmouth, Nova Scotia, and was at all relevant times a client of the Respondent.
27. In 2013, the Respondent solicited a loan from EE in the amount of \$40,000 at an interest rate of \$12% per annum.
28. The Respondent used the loan proceeds received from EE to provide money to AA and BB and to pay his personal expenses.
29. In 2014, the Respondent paid EE approximately \$10,000.

SUMMARY OF VIOLATIONS

30. The Respondent:
  - a. encouraged clients to provide him monies via personal cheques;
  - b. failed to invest monies received from clients in a legitimate manner and/or as directed by the clients;
  - c. failed to advise clients of the consequences of depleting monies from investment accounts, including the associated fees and tax consequences;
  - d. encouraged clients to undertake a particular investment strategy that did not benefit the client;
  - e. enticed clients to provide him with monies by promoting fake or illegitimate investment opportunities;
  - f. used client monies for his personal expenses;
  - g. used funds from one or more clients to pay other clients;
  - h. borrowed money from clients for the purpose of using those funds to pay other clients;

and thereby failed to deal fairly, honestly and in good faith with is clients, violating section 39A(2) of the Act.

31. The Respondent:

- a. failed to advise clients of the consequences of depleting monies from investment accounts, including the associated fees and tax consequences;
- b. failed to advise clients that monies provided to him would not be invested as per their directions and/or his recommendations;
- c. failed to advise clients that he was using monies provided to him for his personal expenses;
- d. failed to advise clients that he was using monies provided to him for the purpose of paying other clients;

and thereby engaged in unfair practice by taking advantage of clients' inability to reasonably protect their own interests because of ignorance or the inability to understand the character or nature of any matter relating to a decision to purchase, hold or sell a security, violating section 44A(2) of the Act.

32. The Respondent:

- a. advised AA and BB that their monies were invested in an "off-shore" account;
- b. advised AA and BB that their investments were generating returns;
- c. advised CC that her money would be invested in an RRSP;
- d. advised DD that his monies would be invested in a land development deal;

and thereby made untrue or misleading statements about something that a reasonable investor would consider important in deciding whether to enter into or maintain a trading or advising relationship with the Respondent, violating section 50(2) of the Act.

33. The Respondent:

- a. failed to notify the Commission within 10 days of the change to his registration information regarding the conflict of interest created by borrowing money from EE;
- b. failed to notify the Commission within 10 days of the change to his registration information regarding the outside business activity created by accepting personal cheques from AA, BB, CC, DD and EE;
- c. failed to notify the Commission within 10 days of the change to his registration information regarding the outside business activity created by borrowing money from EE;
- d. failed to notify the Commission within 10 days of the change to his registration information regarding the debt obligation created by borrowing money from EE;

and thereby violated section 4.1(1)(b) of National Instrument 33-109.

34. The Respondent acted in a manner contrary to fair and efficient capital markets and contrary to the public interest.

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

35. The Respondent admits the facts set forth in Part III herein and acknowledges that he violated Nova Scotia securities laws.
36. The Respondent acknowledges and admits that he violated sections 39A(2), 44A(2) and 50(2) of the Act and section 4.1(1)(b) of National Instrument 33-109.
37. 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**

38. The Respondent acknowledges and accepts responsibility for his conduct which is the subject matter of this Agreement.
39. The Respondent has reached a confidential settlement with AA, BB and CC. The Respondent confirms that he will abide by the terms of that confidential settlement.

**PART VI – TERMS OF SETTLEMENT**

40. 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.
41. The Respondent consents to the Order contained in Schedule “A”.

**PART VII – COMMITMENTS**

42. 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.
43. 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.
44. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement.

GD  
RA

45. 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
  - 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.
46. 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 45(a) and 45(b) of this Agreement will apply.

#### **PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

47. 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.

GD  
RA

**PART IX – EXECUTION OF SETTLEMENT AGREEMENT**

48. 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 Fort McMurray AB, this 10 day of Nov, 2015.

**SIGNED, SEALED AND DELIVERED**

In the presence of:

  
\_\_\_\_\_  
Witness

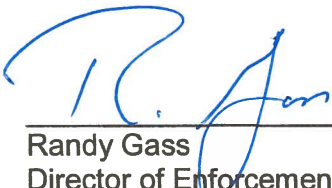
  
\_\_\_\_\_  
Glenn Francis Dunbar

DATED at Halifax, Nova Scotia, this 19<sup>th</sup> day of November, 2015.

**SIGNED, SEALED AND DELIVERED**

In the presence of:

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Randy Gass  
Director of Enforcement  
Nova Scotia Securities Commission  
Enforcement Branch

GD  
RA



**SCHEDULE "A"**

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

-and-

IN THE MATTER OF GLENN FRANCIS DUNBAR ("Respondent")

ORDER  
(Sections 134, 135 and 135A)

WHEREAS on \_\_\_\_\_, 2015, 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 he 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 \_\_\_\_\_, 2015, 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)(b) of the Act, the Respondent permanently cease trading in securities on his own behalf or on behalf of others, except through a person or company duly registered with the Commission;
4. Pursuant to section 134(1)(c) of the Act, all of the exemptions contained in Nova Scotia securities laws do not apply to the Respondent permanently;

G.D.  
RA

5. Pursuant to section 134(1)(d)(ii) of the Act, the Respondent be permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
6. Pursuant to section 134(1)(f) of the Act, that the registration of the Respondent be cancelled;
7. Pursuant to section 134(1)(g) of the Act, that the Respondent be permanently prohibited from becoming or acting as a registrant, investment fund manager or promoter;
8. Pursuant to section 134(1)(h) of the Act, that the Respondent be reprimanded;
9. Pursuant to sections 135(a) and (b) of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of three hundred and fifty thousand dollars (\$350,000.00); and
10. Pursuant to section 135A of the Act, the Respondent shall forthwith pay costs in the amount of six thousand five hundred dollars (\$6,500.00) in connection with the investigation and conduct of this proceeding.

DATED at Halifax, Nova Scotia, this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

NOVA SCOTIA SECURITIES COMMISSION

\_\_\_\_\_  
(Chair)

GD  
RA