

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

-and-

IN THE MATTER OF GLOOSCAP WIND FIELD INC. ("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.

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9. The Respondent was incorporated and registered in Nova Scotia on September 09, 2005.
10. The Respondent's registered office is located on 258 King Street, Windsor, Nova Scotia.
11. On December 12, 2005, and again on January 03, 2007, the Commission issued a letter of non-objection to the Respondent to sell an offering of securities in 2006 and 2007 to Nova Scotia residents pursuant to section 6(1) of the *Community Economic Development Corporations Regulations*.
12. The Respondent completed both offerings and sold securities to 65 residents of Nova Scotia ("Shareholders").
13. The Respondent failed to send the Shareholders the request form for the annual and semiannual financial statements for the years 2010, 2011, and 2012. The Respondent also failed to send the Shareholders the annual and semiannual financial statements for the years 2010, 2011 and 2012.
14. By failing to send the Shareholders the request form for the annual and semiannual financial statements for the years 2010, 2011 and 2012 the Respondents contravened section 4.6(1) of NI 51-102 and Commission Blanket Order 51-504.
15. By failing to send the Shareholders the annual and semiannual financial statements for the years 2010, 2011 and 2012 the Respondents contravened section 4.6(3) of NI 51-102 and Commission Blanket Order 51-504.
16. As a result of its failure to comply with NI 51-102 and Commission Blanket Order 51-504, the Respondent acted contrary to the public interest and failed to maintain the integrity of continuous disclosure for a public company.

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

17. The Respondent admits the facts set forth in Part III herein and acknowledges that it violated Nova Scotia securities laws.
18. The Respondent acknowledges and admits that it violated subsections 4.6 (1) and (3) and Commission Blanket Order 51-504.
19. The Respondent acknowledges that its actions undermined investor confidence in the fairness and efficiency of capital markets and were contrary to the public interest.

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**PART V – MITIGATING FACTORS**

20. The Respondent acknowledges and accepts responsibility for its conduct which is the subject matter of this Agreement.
21. The Respondent cooperated with the investigation of this matter.
22. The Respondent has no prior disciplinary record with the Commission.
23. The Respondent experienced little to no financial change between 2010 and 2012, and as a result believed that there was no need to provide disclosure to the Shareholders. The Respondent acknowledges that its actions were contrary to Nova Scotia securities laws and regrets that it did not comply with its continuous disclosure obligations.
24. The Respondent has since provided the Shareholders with the required disclosure for the 2013 fiscal year, and has implemented processes to ensure that future disclosure is made in a timely manner.

**PART VI – TERMS OF SETTLEMENT**

25. 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.
26. The Respondent consents to the Order contained in Schedule "A".

**PART VII – COMMITMENTS**

27. 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.
28. 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.
29. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement.
30. If, for any reason whatsoever, this Agreement is not approved, or the order set forth in Schedule "A" is not granted by the Commission:

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- 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 they 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.
31. 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 30(a) and 30(b) of this Agreement will apply.

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

32. 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.

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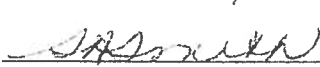
**PART IX – EXECUTION OF SETTLEMENT AGREEMENT**


33. 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 FALMOUTH, Nova Scotia, this 28 day of August, 2014.

**SIGNED, SEALED AND DELIVERED**  
In the presence of:


**GLOOSCAP WIND FIELD INC.**


  
Witness

  
Per: DAVID HOWSE  
Position: SECRETARY/TREASURER

DATED at Halifax, Nova Scotia, this 28<sup>th</sup> day of August, 2014.

**SIGNED, SEALED AND DELIVERED**  
In the presence of:

  
Witness

  
Randy Gass  
Director of Enforcement  
Nova Scotia Securities Commission  
Enforcement Branch

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**SCHEDULE "A"**

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

**-and-**

**IN THE MATTER OF GLOOSCAP WIND FIELD INC. ("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 \_\_\_\_\_, 2014, 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(a) and 135(b) of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of two thousand five hundred dollars (\$2,500.00); and
4. Pursuant to section 135A of the Securities Act, the Respondent shall forthwith pay costs in the amount of seven hundred fifty dollars (\$750.00) in connection with the investigation and conduct of this proceeding.

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DATED at Halifax, Nova Scotia, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**NOVA SCOTIA SECURITIES COMMISSION**

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

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