

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

- and -

IN THE MATTER OF KEYBASE FINANCIAL GROUP INC.
("Respondent")

ORDER
(Sections 134, 135 and 135A)

WHEREAS on October 17, 2012 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 Nova Scotia Securities Commission, Enforcement Branch ("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 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 the Respondent;

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

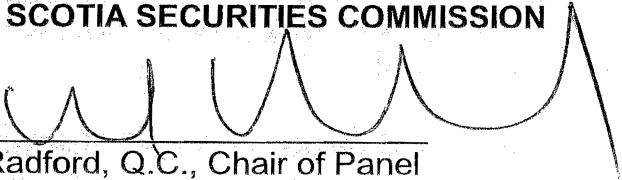
IT IS HEREBY ORDERED that:

1. The Settlement Agreement dated October 4, 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 134(1)(f) and 136A of the Act, the registration of the Respondent is subject to the terms and conditions that it shall make a payment, for the benefit of the clients of the Respondent impacted by Mr. Allen's misconduct allocated as determined by the Respondent, in the amount of one hundred forty-eight thousand seven hundred ninety eight dollars (\$148,798.00), within three months of the date of this order;


4. Pursuant to section 134(1)(f) of the Act, the registration of the Respondent is subject to the terms and conditions that it comply with the Mutual Fund Dealers Association MR-0069;
5. Pursuant to section 134(1)(h) of the Act, that the Respondent be reprimanded;
6. Pursuant to section 135 of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of one hundred thousand dollars (\$100,000.00); and
7. 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 ten thousand dollars (\$10,000.00).

DATED at Halifax, Nova Scotia, this 23rd day of November 2012.

NOVA SCOTIA SECURITIES COMMISSION



Paul Radford, Q.C., Chair of Panel



Sandra MacPherson Duncan, Q.C.