

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

- AND -

IN THE MATTER OF BRUCE FREDERICK FILLMORE  
(the "RESPONDENT")

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The parties to this Settlement Agreement are the Respondent and the Director of Enforcement for the Nova Scotia Securities Commission.
2. The parties agree that the Nova Scotia Securities 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. 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. The Director of Enforcement and the Respondent agree with the facts and conclusions set out in this Agreement.

**Background**

9. The Respondent is a resident of Dartmouth, Nova Scotia.
10. The Respondent has never been registered with the Commission in any capacity.

11. The Respondent's brother is an employee of UCore Rare Metals Inc.
12. Before March 31, 2014, the Respondent held over 172,000 shares of UCore in multiple self-directed investment accounts that were beneficially owned by either himself or his spouse.
13. On April 11, 2014, UCore issued a press release announcing a non-brokered private placement of shares at \$0.38 per share. Prior to April 11, 2014, the details surrounding the UCore private placement had not been generally disclosed to the public.
14. On or before March 31, 2014, the Respondent was advised by his brother of the UCore private placement.

Trading on non-public information

15. Between March 31 and April 4, 2014, the Respondent sold over 172,000 UCore shares for per share prices ranging from \$0.414 to \$0.445. His purpose in selling his shares was to fund the purchase of UCore private placement shares.
16. On April 3, 2014, the Respondent completed subscription agreements to purchase over 200,000 UCore private placement shares at \$0.38 per share. These orders were filled on or around April 14, 2014.

Specific violation

17. By selling and buying UCore shares between March 31 and April 4, 2014, with the knowledge of the UCore private placement, which had not been generally disclosed to the public during that time, the Respondent traded in securities on the basis of non-public, material information, thereby violating section 82(1) of the Act.

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

18. The Respondent acknowledges and admits that he violated section 82(1) of the Act.
19. The Respondent acknowledges that his actions undermined investor confidence in the fairness and efficiency of capital markets in Nova Scotia and were contrary to the public interest.
20. The Respondent admits the facts set forth in Part III herein and acknowledges that he violated the Act.

**PART V - MITIGATING FACTORS**

21. The Respondent acknowledges and accepts responsibility for his conduct which is the subject matter of this Agreement.

22. The Respondent cooperated with the investigation of this matter.
23. The Respondent has little to no experience with investing. He has a modest net worth and income. He did not realize that his trading violated Nova Scotia securities law. Upon this being brought to his attention by Staff, he accepted that that was the case.
24. Although the Respondent initially incurred a profit because of the trades in question, his holdings in UCore are currently in a loss position.

#### **PART VI – TERMS OF SETTLEMENT**

25. The terms of settlement are set forth 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 as set out in the Order attached as Schedule A.
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:
  - 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 terms of 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.

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 paragraph 30 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 Rule 15-501 – 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.

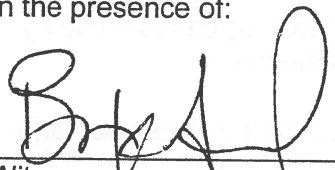
#### PART IX – EXECUTION OF SETTLEMENT AGREEMENT

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 Halifax, Nova Scotia, this 12 day of October 2018.

#### SIGNED, SEALED AND DELIVERED

In the presence of:

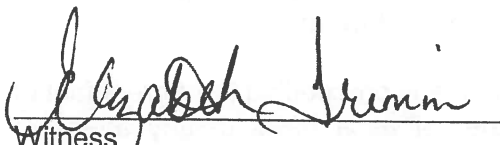
  
Witness  
BRIAN AWAD  
A Barrister of the Supreme  
Court of Nova Scotia

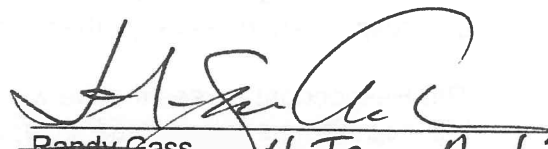
  
Bruce Frederick Fillmore

DATED at Halifax, Nova Scotia, this 18<sup>th</sup> day of October, 2018.

#### SIGNED, SEALED AND DELIVERED

In the presence of:

  
Witness

  
~~Randy Goss~~ H. Jane Anderson,  
Director of Enforcement Acting  
Nova Scotia Securities Commission Executive  
Enforcement Branch Director

**Schedule A**

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

-and-

IN THE MATTER OF BRUCE FREDERICK FILLMORE  
("Respondent")

**ORDER**

(Sections 134, 135 and 135A)

**WHEREAS** on \_\_\_\_\_, 2018, the Nova Scotia Securities 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 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 finds 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 hearing the submissions of counsel for the Director of Enforcement and the Respondent;

**IT IS HEREBY ORDERED** that:

1. The Settlement Agreement dated \_\_\_\_\_, 2018, a copy of which is attached, is approved;
2. Pursuant to section 134(1)(a)(i) of the Act, the Respondent complies with Nova Scotia securities laws;
3. Pursuant to section 134(1)(b) of the Act, the Respondent shall, for a period of ten years from the date of this order, cease trading in securities beneficially owned by anyone other than himself;
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 for a period of ten years from the date of this order;

5. Pursuant to section 134(1)(d)(ii) of the Act, the Respondent shall be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for a period of ten years from the date of this order;
6. Pursuant to section 134(1)(f) of the Act, that the Respondent be restricted from becoming registered with the Commission in any capacity for a period of ten years from the date of this order;
7. Pursuant to section 134(1)(h) of the Act, the Respondent shall be reprimanded;
8. Pursuant to sections 135(a) and (b) of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of seven thousand five hundred dollars (\$7,500.00); and
9. Pursuant to section 135A of the Act, the Respondent shall forthwith pay costs in the amount of one thousand dollars (\$1,000.00) in connection with the investigation and conduct of this proceeding forthwith.

**DATED** at Halifax, Nova Scotia, this \_\_\_\_ day of \_\_\_\_\_, 2018.

**NOVA SCOTIA SECURITIES COMMISSION**

\_\_\_\_\_  
Chair