

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

-and-

IN THE MATTER OF TD WATERHOUSE CANADA INC. (the "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.

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9. The Respondent is an investment dealer whose head office is in Toronto, Ontario. The Respondent has held registration with the Commission as a dealer since 1999.
10. AA is a resident of Hubbards, Nova Scotia.
11. AA's spouse BA had three accounts with the Respondent until BA's death in January, 2014 ("TD Accounts"). AA took control of the TD Accounts after BA's death.
12. In May 2014, AA contacted the Respondent via telephone to advise that AA had not received statements with respect to the activities in the TD Accounts since taking control of them in February 2014.
13. Also in May 2014, AA requested to receive paper statements from the Respondent. Despite confirming with AA that AA would receive paper statements, the Respondent did not provide paper statements to AA in the ordinary course.
14. AA again requested paper statements of the Respondent in October and November 2014.
15. The Respondent delivered paper copies of year-to-date statements and trade confirmations to AA in the fall of 2014.
16. The Respondent did not begin delivering to AA written confirmations of all transactions in the TD Accounts on a go-forward basis until January 2015, thereby violating section 14.12(1) of NI 31-103.
17. The Respondent did not begin delivering to AA paper statements for the TD Accounts at least once every three months or for any month where a non-automatic transaction occurred until January 2015, thereby violating sections 14.14(1) and 14.14(2)(b) of NI 31-103.
18. The Respondent did not begin delivering to AA paper statements for the TD Accounts on a monthly basis as requested by AA until July 2015, thereby violating sections 14.14(2)(a) and 14.14(3) of NI 31-103.

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

19. The Respondent admits the facts set forth in Part III herein and acknowledges that it violated Nova Scotia securities laws.
20. The Respondent acknowledges and admits that it violated sections 14.12(1), 14.14(1), 14.14(2)(a) and (b) and 14.14(3) of National Instrument 31-103.

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21. The Respondent acknowledges that its actions undermined investor confidence in the fairness and efficiency of capital markets and were contrary to the public interest.

PART V – MITIGATING FACTORS

22. The Respondent acknowledges and accepts responsibility for its conduct which is the subject matter of this Agreement.
23. The Respondent cooperated with the investigation of this matter.
24. The Respondent's failure to provide to AA the monthly statements and trade confirmations in the ordinary course was due to an unforeseen system default. In error, due to the default, the Respondent continued to deliver the statements and confirmations in the manner that had been preferred by BA, being electronically to BA's email address.
25. The Respondent paid a measure of compensation to AA to reflect AA's troubles and concerns in this matter.

PART VI – TERMS OF SETTLEMENT

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

PART VII – COMMITMENTS

28. 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.
29. 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.
30. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement.
31. 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 it 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.
32. 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 31(a) and 31(b) of this Agreement will apply.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

33. 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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SCHEDULE "A"

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

-and-

IN THE MATTER OF TD WATERHOUSE CANADA INC. ("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 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 _____, 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 sections 135(a) and (b) of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of ten thousand dollars (\$10,000.00); and
4. 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.

DATED at Halifax, Nova Scotia, this _____ day of _____, 2015.

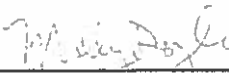


PART IX – EXECUTION OF SETTLEMENT AGREEMENT

34. 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 Toronto, ON, this 11th day of Sept, 2015.

SIGNED, SEALED AND DELIVERED
In the presence of:

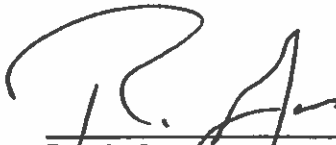

Witness


Per: Paulette Cormier, Senior Manager, Retail Service
TD Waterhouse Canada Inc. Support and
Risk Management

DATED at Halifax, Nova Scotia, this 17th day of SEPTEMBER 2015.

SIGNED, SEALED AND DELIVERED
In the presence of:


Witness


Randy Gass
Director of Enforcement
Nova Scotia Securities Commission
Enforcement Branch



NOVA SCOTIA SECURITIES COMMISSION

(Chair)

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