

IN THE MATTER OF THE SECURITIES ACT,
R.S.N.S. 1989, C. 418, AS AMENDED (the “Act”)

-AND-

IN THE MATTER OF
BRUCE PATRICK SCHRIVER (“Schriver” or the “Respondent”)

HEARING: August 9, 2006 and September 28, 2006

PANEL: H. Leslie O’Brien, Q.C. – Chairman

COUNSEL: Ms. Heidi Schedler – for Commission Staff
Mr. David Coles, Q.C. – for the Respondent

REASONS: December 20, 2006

The proceeding was commenced by Notice of Hearing dated August 10, 2004, (the “First Notice”), issued by the Nova Scotia Securities Commission (the “Commission”) pursuant to sections 33, 134, 135 and 135A of the Act to consider whether it was in the public interest for the Commission to make certain orders against the Respondent.

By an amended Notice of Hearing dated August 25, 2004, (the “Second Notice”), the date of the hearing was re-scheduled to September 16, 2004.

Early on in the hearing on September 16, 2004, counsel for the Respondent raised a preliminary motion to strike out an allegation in the statement of allegations on the ground that the Commission panel lacked jurisdiction to determine in the first instance whether the Respondent had breached rules of the Mutual Fund Dealers Association of Canada (“MFDA”) a self-regulatory organization within the meaning of the Act.

Following submissions from counsel for staff of the Commission and counsel for the Respondent the Commission panel granted an adjournment.

The hearing reconvened on October 27, 2004, pursuant to a Notice of Hearing dated October 13, 2004, (the “Third Notice”), issued by the Commission. Following consideration of both written and oral arguments pertaining to the Respondent’s preliminary motion the Commission panel in a written decision released on November 8, 2004, (the “November 2004 decision”) dismissed the preliminary motion.

The Respondent appealed to the Nova Scotia Supreme Court and subsequently to the Nova Scotia Court of Appeal. On January 4, 2006, the Nova Scotia Court of Appeal upheld the decision of the Nova Scotia Supreme Court which in turn had upheld the November 2004 decision. The trial judge, Tidman J., awarded costs in the amount of \$2000.00 to the Commission and the Nova Scotia Court of Appeal awarded costs in the amount of \$3000.00 plus disbursements to the Commission.

On August 4, 2006, a Notice of Hearing (the “Fourth Notice”) was issued by the Commission pursuant to sections 33, 135 and 135A of the Act for the purpose of considering whether it was in the public interest for the Commission to approve a settlement agreement dated June 29, 2006, (the “Settlement Agreement”) entered into by the Respondent and staff of the Commission. A copy of the Settlement Agreement is attached as Appendix “A” to these reasons.

At the commencement of the August 9th hearing Ms. Schedler for staff of the Commission (“Staff Counsel”) indicated the Fourth Notice and amended Statement of Allegations had been provided to Mr. Coles, counsel for the Respondent, in accordance with the Commission’s General Rules of Practice and Procedure. Counsel for the Respondent acknowledged receipt of the Fourth Notice and amended Statement of Allegations.

Both Staff Counsel and counsel for the Respondent indicated there was a disagreement over the quantum of costs. Following submissions from both counsel it

was agreed that the matter of what was included in costs would be deferred to a subsequent hearing and the remainder of the Settlement Agreement with the exception of clause 1(e) concerning costs would be considered.

Staff Counsel then moved to have the hearing held in camera with members of the public excluded until a decision was made to approve or not approve the remainder of the Settlement Agreement. Ms. Schedler indicated the Settlement Agreement had been concluded on the basis that it was only to be released to members of the public if and when it was approved by the Commission panel. Mr. Coles agreed.

The Commission panel agreed to proceed in camera until a decision was made to either approve or not approve the remainder of the Settlement Agreement. Once the Commission panel moved to an in camera proceeding it heard submissions from Staff Counsel and counsel for the Respondent.

Following these submissions and questions from the Commission panel the panel determined that it was appropriate in the circumstances of the particular case and in the public interest to approve the remainder of the Settlement Agreement. At this time the Commission panel indicated its approval and further indicated the hearing was no longer in camera and members of the public were readmitted to the hearing room.

When the members of the public were readmitted the Commission panel gave brief oral reasons for its decision to approve the remainder of the Settlement Agreement and advised that written reasons would be published following the completion of the further hearing on costs.

In this decision the facts stated are those that have been agreed upon by the parties to the Settlement Agreement and found in Part III, paragraphs 4-14, of the Settlement Agreement. These facts are set out below. The Commission panel notes that the agreed upon facts are only for the purpose of the settlement hearing and subsequent hearing on costs and that the facts agreed to here are important to the Commission panel in its decision to approve or not to approve the remainder of the Settlement Agreement but do not go to prove any other matter not relevant to these proceedings.

- “4. Schriver is a resident of Halifax, Nova Scotia.
5. Registration was granted by the Director of Securities of the Commission to Schriver on June 18, 1999 as a salesperson with Select Money Strategies Incorporated (“Select”).
6. At all relevant times, Schriver was a registrant under section 31(1) of the Act.

Facts

7. Schriver maintained a joint investment account for Keith and Flora Lohnes (“Lohnes Account”), beginning in December, 1997. The Lohnes Account moved with Schriver when he began working with Select in 1999.

8. Schriver made borrowing recommendations and leveraged trades with respect to the Lohnes Account that were not suitable, thereby contravening s. 31 of the General Securities Rules.
9. On April 16, 2003, Select became a Member, and Schriver an Approved Person of the Mutual Fund Dealers Association of Canada (“MFDA”), as defined by MFDA By-Law No. 1. The MFDA is a self regulatory organization recognized by the Commission.
10. On September 23, 2003, Select entered into a referral arrangement with Paradigm Alternative Asset Management Inc., now known as Portus Alternative Asset Management Inc. (“Portus”), an investment counsel and portfolio manager, in respect to managed account agreements. At all relevant times, Portus was duly registered with the Commission.
11. On May 2, 2000 Bruce P. Schriver Inc., (“Schriver Inc.”) was incorporated and registered under the *Companies Act* in the Province of Nova Scotia. Schriver is shown as the sole officer and director of Schriver Inc.
12. While continuing to be registered with Select and an Approved Person of the MFDA, Schriver entered into a referral arrangement with Portus on behalf of Schriver Inc. dated January 21, 2004, unbeknownst to Select and contrary to MFDA Rules 1.2.1(d)(iii), (v) and (vi), 2.1.1., 2.1.4. and 2.4.2., thereby contravening s.30(3) of the Act.
13. During the period of January 30, 2004 to June 15, 2004, Schriver referred mutual fund clients of Select to Portus through Schriver Inc. for the purposes of opening managed accounts. During this time period, approximately \$2.7 million dollars was moved from Select to Portus through Schriver Inc., generating commissions to Schriver Inc. of approximately \$110,000, in a manner which contravened s. 61 of the General Securities Rules.
14. Select submitted a notice of termination to the Commission for Schriver dated June 1, 2004. Subsequent to the termination of his registration, Schriver was not registered with any other dealer under the Act, but continued to hold himself out as a registered salesperson on the website of “Bruce Schriver and Associates” located at www.longterminvesting.net, thereby contravening s. 51 of the Act.”

The Commission panel turns next to why the sanctions are appropriate and in the public interest. Imposing appropriate sanctions in this matter will reflect what the Ontario Securities Commission said in *M.C.J.C. Holdings and Michael Cowpland* (2002), 25 O.S.C.B. 1130, at page 1134 (the “first Cowpland case”).

“We have a duty to consider what is in the public interest. To do that, we have to take into account what sanctions are appropriate to protect the integrity of the

marketplace... . In doing this, we have to take into account circumstances that are appropriate to the particular respondents. This requires us to be satisfied that proposed sanctions are proportionately appropriate with respect to the circumstances facing the particular respondents. We should not just look at absolute values, e.g. what has been paid voluntarily in other settlements...”

Securities regulators in other Canadian jurisdictions have set out factors they consider to be relevant in determining the nature and duration of sanctions. The factors noted below were outlined in *re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743, at pages 7746 and 7747. They have been taken into consideration here in measuring the sufficiency of the sanctions in the Settlement Agreement. The factors are:

- a) the seriousness of the allegations;
- b) the respondent’s experience in the marketplace;
- c) the level of the respondent’s activity in the marketplace;
- d) whether or not there has been recognition of the seriousness of the improprieties;
- e) whether or not the sanction imposed may serve to deter not only those involved in the case being considered, but any like-minded people from engaging in similar abuses of the capital market; and
- f) any mitigating factors.

The Commission has also taken into account the factors outlined in the first Cowpland case and listed in *re Daniel Duic* (2004), 27 O.S.C.B. 2754, at pages 2756 and 2757. They are the following:

- a) the size of any profit or loss avoided from the illegal conduct;
- b) the size of any financial sanction or voluntary payments when considered with other factors ;
- c) the effect any sanction may have on the livelihood of the respondent;
- d) the restraint any sanction may have on the ability of the respondent to participate without check in the capital markets;
- e) the reputation and prestige of the respondent; and
- f) the shame or financial pain that any sanction would reasonably cost the respondent, and the remorse of the respondent.

The factors listed in *Belteco* and *Duic* were applied by the Commission in *Bruce Elliott Clarke* [2004] NSSC*, *Steven Elliott Clarke* [2005] NSSC and in *OptionsExpress* [2005] NSSC.

The Commission emphasizes that the sanctions available to it under the Act are regulatory and they are “not remedial or punitive, but rather are preventative in nature and perspective in application” to quote LeBel J. in *Cartaway Resources Corp.* [2004] 1 SCR 672 at page 696.

Furthermore in *Cartaway Resources Corp.*, supra at page 697, LeBel J. indicated that a securities regulator is permitted to consider general deterrence when making an order

* Decisions of the Commission are available on its website

under a provision of provincial securities legislation. LeBel J. remarked: "...it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative."

Following a review of the Settlement Agreement in light of the jurisprudence noted above the Commission panel considered the following factors relevant in approving the remainder of the Settlement Agreement:

- (a) Schriver acknowledged that he violated the Act;
- (b) Schriver acknowledged and accepted responsibility for his conduct which is the subject matter of staff's allegations;
- (c) Schriver accepted an administrative penalty and agreed to make a payment in respect of costs;
- (d) Schriver's registration as a salesperson was suspended;
- (e) Schriver's admissions eliminated the need for a full hearing and accordingly conserved the resources of the Commission and saved the public considerable expense; and finally,
- (f) Schriver's reputation and prestige has experienced a substantial impact.

In the circumstances the remainder of the Settlement Agreement, with the exception of clause 1(e), was approved as being in the public interest and an order (the "first Order"), a copy of which is attached hereto as Appendix "B" was issued on August 14, 2006.

The first Order directed the parties to appear before the Commission at a later date to make submissions in respect of the issue of costs pursuant to section 135A of the Act.

The hearing resumed on September 28, 2006, pursuant to a Notice of Hearing dated August 24, 2006, (the "Fifth Notice").

As earlier noted the Respondent appealed the November 2004 decision to the Nova Scotia Supreme Court and, subsequently, the Nova Scotia Court of Appeal. Both appeals were unsuccessful and court costs in the total amount of \$5000.00 (the "court costs") were awarded against the Respondent.

At issue here is whether the costs the Commission panel is to adjudicate upon include the court costs as well as costs of the investigation and direct proceedings before the Commission panel.

Staff Counsel submitted that the court costs were separate and the \$6000.00 referred to in paragraph 1(e) of the Settlement Agreement did not include the court costs.

Staff Counsel further submitted that notwithstanding the exchange of correspondence among counsel for the parties between January, 2006, and early May, 2006, Staff Counsel's letter of May 19, 2006, made clear that no final agreement concerning costs had been reached. That is to say the matter of the court costs remained outstanding. Five copies of the Settlement Agreement were attached to the May 19, 2006, letter and Staff Counsel stated in her letter that the copies were attached "in accordance with the terms set out in my letter of May 19, 2006".

Counsel for the Respondent submitted that the \$6000.00 figure was a global amount and included all costs, including the court costs.

Counsel for the Respondent further submitted that on April 28, 2006, he wrote to Staff Counsel and on behalf of the Respondent accepted the settlement offer detailed in her April 26, 2006, letter to him. Subsequently he forwarded a cheque for \$6000.00 to Staff Counsel. Counsel for the Respondent indicated the Respondent later signed the Settlement Agreement because the reference to \$6000.00 in paragraph 1(e) was consistent with what had been agreed to in the April correspondence.

Finally counsel for the Respondent submitted that staff of the Commission and the Commission panel were one and the same and any agreement by Staff Counsel bound the Commission panel in the matter of costs.

In the opinion of the Commission panel when the Respondent appealed the November 2004 decision it was an appeal of a decision of the Commission panel acting as a quasi judicial body.

Following the decision of the Nova Scotia Court of Appeal on January 4, 2006, upholding the November 2004 decision, it is clear to the Commission panel, based upon the record before it, that settlement discussions began shortly thereafter between staff of the Commission and counsel for the Respondent.

At this point it is important to note that the Commission is really a two tiered structure. The first tier consists of the panel of commissioners who make orders, rulings and act as a quasi judicial tribunal presiding over various administrative proceedings.

The second tier consists of an administrative agency headed by the Director of Securities who is the Chief Operating Officer of the Commission. The Director exercises administrative functions assigned to him under the Act or regulations and implements policy decisions of the commissioners. Staff of the Commission assist the Director in performing these functions including bringing administrative proceedings before panels of commissioners.

During the course of these proceedings it became clear to the Commission panel that this two tiered structure was not always kept in mind by the parties.

To underscore the structure of the Commission the Commission panel notes that an agreement with staff of the Commission or Staff Counsel does not bind a Commission

panel exercising its quasi judicial functions until the agreement is approved by a Commission panel.

Section 135A of the Act authorizes the Commission panel to make an order for costs against a person or company in certain specific circumstances. When a Commission panel makes an order against a person under section 135 of the Act it may order the person to pay costs of “the investigation and conduct of the proceeding” in respect of which the order was made under section 135 of the Act. However, any order for costs must not exceed the costs prescribed in the regulations.

The Commission panel considers that the judicial proceedings taken by the Respondent following the November 2004 decision were part and parcel of the proceedings commenced by staff of the Commission under the First Notice. Accordingly, the Commission panel has jurisdiction to determine all matters relating to costs, limited only by the direction that an order for costs cannot exceed the costs prescribed in the regulations.

During the hearing the Commission panel did not receive any direct evidence on the “time spent in preparing for and attending any trial or hearing before the Commission”, to quote paragraph 1 of Schedule 2 to Appendix A to the General Securities Rules. Accordingly the Commission panel is not prepared to order costs in an amount above the \$6000.00 figure contained in paragraph 1(e) of the Settlement Agreement.

Therefore, in conclusion, the Commission panel will issue a further order that the Respondent pay costs in the amount of \$6000.00 as the full amount to settle all costs associated with all matters arising out of the proceedings commenced by the First Notice in August 2004.

DATED at Halifax, Nova Scotia this 20th day of December, 2006.

“H. Leslie O’Brien”
H. Leslie O’Brien, Q.C.
Chairman

IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, C. 418 as amended ("Act")

-AND-

IN THE MATTER OF
BRUCE PATRICK SCHRIVER ("Schriver")

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. By Notice of Hearing dated ^{PH} 4 August, 2006 ("Notice of Hearing"), the Nova Scotia Securities Commission ("Commission") announced that it proposed to hold a hearing to consider whether, pursuant to sections 135 and 135A of the Act, in the opinion of the Commission, it is in the public interest for the Commission to:
- Approve this settlement agreement;
 - Make an order, pursuant to section 33(1) of the Act that Schriver's registration under the Act shall be suspended from June 1, 2004 up to and including June 1, 2006;
 - Make an order pursuant to section 135(a) of the Act determining that Schriver has contravened the Act or its regulations;
 - Make an order pursuant to section 135(b) that Schriver pay an administrative penalty in the amount of twelve thousand five hundred dollars (\$12,500.00) within 60 days of the date of the order; and
 - Make an order pursuant to section 135A of the Act that Schriver pay costs in connection with the Staff's investigation and conduct of the proceedings before the Commission in the amount of six thousand dollars (\$6,000.00) forthwith.

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agrees to recommend settlement of the proceedings initiated in respect of Schriver by the Notice of Hearing in accordance with the terms and conditions set out below. Schriver agrees to the settlement on the basis of the facts agreed to as hereinafter provided and

consents to the making of an Order, in the form attached as Schedule "A", on the basis of the facts set out below in respect to the violations of the Act.

PART III – STATEMENT OF FACTS AND CONCLUSIONS

Acknowledgment

3. Staff and Schriver agree with the facts and conclusions set out in this Part of this Settlement Agreement ("Agreement").

Introduction

4. Schriver is a resident of Halifax, Nova Scotia.
5. Registration was granted by the Director of Securities of the Commission to Schriver on June 18, 1999 as a salesperson with Select Money Strategies Incorporated ("Select").
6. At all relevant times, Schriver was a registrant under section 31(1) of the Act.

Facts

7. Schriver maintained a joint investment account for Keith and Flora Lohnes ("Lohnes Account"), beginning in December, 1997. The Lohnes Account moved with Schriver when he began working with Select in 1999.
8. Schriver made borrowing recommendations and leveraged trades with respect to the Lohnes Account that were not suitable, thereby contravening s. 31 of the General Securities Rules.
9. On April 16, 2003, Select became a Member, and Schriver an Approved Person of the Mutual Fund Dealers Association of Canada ("MFDA"), as defined by MFDA By-Law No. 1. The MFDA is a self regulatory organization recognized by the Commission.
10. On September 23, 2003, Select entered into a referral arrangement with Paradigm Alternative Asset Management Inc., now known as Portus Alternative Asset Management Inc. ("Portus"), an investment counsel and portfolio manager, in respect to managed account agreements. At all relevant times, Portus was duly registered with the Commission.
11. On May 2, 2000 Bruce P. Schriver Inc. ("Schriver Inc.") was incorporated and registered under the *Companies Act* in the Province of Nova Scotia. Schriver is shown as the sole officer and director of Schriver Inc.

12. While continuing to be registered with Select and an Approved Person of the MFDA, Schriver entered into a referral arrangement with Portus on behalf of Schriver Inc. dated January 21, 2004, unbeknownst to Select and contrary to MFDA Rules 1.2.1.(d)(iii), (v) and (vi), 2.1.1., 2.1.4. and 2.4.2., thereby contravening s. 30(3) of the Act.
13. During the period of January 30, 2004 to June 15, 2004, Schriver referred mutual fund clients of Select to Portus through Schriver Inc. for the purposes of opening managed accounts. During this time period, approximately \$2.7 million dollars was moved from Select to Portus through Schriver Inc., generating commissions to Schriver Inc. of approximately \$110,000, in a manner which contravened s. 61 of the General Securities Rules.
14. Select submitted a notice of termination to the Commission for Schriver dated June 1, 2004. Subsequent to the termination of his registration, Schriver was not registered with any other dealer under the Act, but continued to hold himself out as a registered salesperson on the website of "Bruce Schriver and Associates" located at www.longterminvesting.net, thereby contravening s. 51 of the Act.

Mitigating Factors

15. Schriver acknowledges and accepts responsibility for his conduct which is the subject matter of Staff's allegations.

Conduct Contrary to the Public Interest

16. In summary, during material times Schriver's actions violated Nova Scotia securities laws and were contrary to the public interest. Schriver's conduct was detrimental to the integrity and efficiency of the capital markets in Nova Scotia and was prejudicial to the interests of its Nova Scotian investors.

PART IV – POSITION OF SCHRIVER

17. Schriver admits the facts set forth in Part III herein and acknowledges that he violated the Act.

PART V – TERMS OF SETTLEMENT

18. The terms of settlement are set forth in the order contained in Schedule "A" to this Agreement which is expressly incorporated herein.

PART VI – COMMITMENTS

- 19. If this Agreement is approved by the Commission, Staff will not initiate any further proceedings before the Commission related to those facts set out in Part III of this Agreement in accordance with the procedures described herein
- 20. If this Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting Schriver in this matter and Schriver agrees to waive any right to a full hearing and appeal of this matter under the Act.
- 21. If this Agreement is approved by the Commission, the parties to this Agreement will not make any statement that is inconsistent with the Agreement.
- 22. If this Agreement is approved by the Commission, Schriver shall abide by all terms of this Agreement in accordance with the Order set forth in Schedule "A". If, for any reason, Schriver fails to comply with any or all terms of the Order set forth in Schedule "A", his registration with the Commission shall be revoked.
- 23. If, for any reason whatsoever, this Agreement is not approved by the Commission, or the Order set forth in Schedule "A" is not made by the Commission:
 - a. Each of Staff and Schriver will be entitled to proceed to a hearing of the allegations in the Notice of Hearing and related Statement of Allegations 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 Staff and Schriver or as may otherwise be required by law; and
 - c. Schriver 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.
- 24. If, in the view of Staff and prior to the approval of this Agreement by the Commission, there are new facts or issues of substantial concern regarding the facts set out in Part III of this Agreement, Staff will be at liberty to withdraw from this Agreement. Notice of such intention will be provided to Schriver in writing. In the event of such notice being given, the provisions of paragraph 26 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

VIII DISCLOSURE OF SETTLEMENT AGREEMENT

25. Staff or Schriver may refer to any or all parts of this Agreement in the course of the hearing convened to consider this Agreement. 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.

IX EXECUTION OF SETTLEMENT AGREEMENT

26. 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 this 29th day of June, 2006.

SIGNED, SEALED AND DELIVERED
In the presence of:

[Signature]
Witness

[Signature]
Bruce Patrick Schriver

Dated this 6th day of July, 2006.

SIGNED, SEALED AND DELIVERED
In the presence of:

[Signature]
Witness

Staff of the Nova Scotia Securities
Commission

Per: *[Signature]*
R. Scott Peacock
Deputy Director
Compliance and Enforcement
Nova Scotia Securities Commission

SCHEDULE "A"

**IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, C. 418 as amended ("Act")**

-AND-

**IN THE MATTER OF
BRUCE PATRICK SCHRIVER ("Respondent")**

ORDER

(Sections 134, 135, 135A)

WHEREAS on _____, 2006, the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing pursuant to sections 134, 135 and 135A of the Act in respect to Schriver;

AND WHEREAS Schriver entered into a settlement agreement with Staff of the Commission ("Staff") whereby he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS Staff recommended approval of the settlement agreement;

AND UPON reviewing the settlement agreement and the Notice of Hearing, and upon hearing submissions of counsel for Staff and David Coles, Q.C. on behalf of Schriver;

AND WHEREAS the Commission is of the opinion that Schriver has contravened the Act and it is in the public interest to make this Order;

IT IS HEREBY ORDERED, pursuant to sections 134, 135 and 135A of the Act, that:

1. the settlement agreement dated _____, 2006, a copy of which is attached, is approved;
2. pursuant to section 33(1) of the Act, that Schriver's registration under the Act shall be suspended from June 1, 2004 up to and including June 1, 2006;
3. pursuant to section 135 of the Act, Schriver shall pay an administrative penalty in the amount of twelve thousand five hundred dollars (\$12,500.00) within 60 days of the date of this Order;
4. pursuant to section 135A of the Act, Schriver shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of six thousand dollars (\$6,000.00) forthwith;

DATED at Halifax, Nova Scotia, this _____ day of _____, 2006.

NOVA SCOTIA SECURITIES COMMISSION

(Chairman)

IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, C. 418 as amended ("Act")

-AND-

IN THE MATTER OF
BRUCE PATRICK SCHRIVER ("Respondent")

ORDER
(Sections 33, 135)

WHEREAS on August 4, 2006, the Nova Scotia Securities Commission ("Commission") issued to the Respondent a Notice of Hearing pursuant to sections 33, 135 and 135A of the Act;

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the Commission ("Staff") whereby the Respondent agreed to a proposed settlement of the proceeding, subject only to the approval of the Commission;

AND WHEREAS the Respondent's registration with the Commission was suspended effective June 1, 2004 pursuant to section 31(2) of the Act;

AND WHEREAS Staff and the Respondent recommend approval of the settlement agreement with the exception of clause 1(e) of the agreement;

AND WHEREAS Staff and the Respondent consent to an adjournment of a hearing in respect of the matter of costs pursuant to 135A of the Act;

AND WHEREAS the Commission is of the opinion that the Respondent has contravened the Act and it is in the public interest to make this Order;

AND UPON reviewing the settlement agreement and the Notice of Hearing, and upon hearing submissions of counsel for Staff and David Coles, Q.C. on behalf of the Respondent;

IT IS HEREBY ORDERED pursuant to sections 33 and 135 of the Act that:


1. the settlement agreement dated June 29, 2006, a copy of which is attached, is approved in accordance with this Order;
2. pursuant to section 33(1) of the Act, the Respondent's registration under the Act shall be suspended from June 1, 2004 up to and including June 1, 2006;

3. pursuant to section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of twelve thousand five hundred dollars (\$12,500.00) within 60 days of the date of this Order;

IT IS HEREBY FURTHER ORDERED that the parties shall appear before the Commission at a date to be set to make submissions in respect of the issue of costs pursuant to section 135A of the Act.

DATED at Halifax, Nova Scotia, this 14th day of August, 2006.

NOVA SCOTIA SECURITIES COMMISSION



H. Leslie O'Brien, Q.C

IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, C. 418 as amended ("Act")

-AND-

IN THE MATTER OF
BRUCE PATRICK SCHRIVER ("Schriver")

SETTLEMENT AGREEMENT

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1. By Notice of Hearing dated ^{PH} 4 August, 2006 ("Notice of Hearing"), the Nova Scotia Securities Commission ("Commission") announced that it proposed to hold a hearing to consider whether, pursuant to sections 135 and 135A of the Act, in the opinion of the Commission, it is in the public interest for the Commission to:
- Approve this settlement agreement;
 - Make an order, pursuant to section 33(1) of the Act that Schriver's registration under the Act shall be suspended from June 1, 2004 up to and including June 1, 2006;
 - Make an order pursuant to section 135(a) of the Act determining that Schriver has contravened the Act or its regulations;
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PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agrees to recommend settlement of the proceedings initiated in respect of Schriver by the Notice of Hearing in accordance with the terms and conditions set out below. Schriver agrees to the settlement on the basis of the facts agreed to as hereinafter provided and
- PH

consents to the making of an Order, in the form attached as Schedule "A", on the basis of the facts set out below in respect to the violations of the Act.

PART III – STATEMENT OF FACTS AND CONCLUSIONS

Acknowledgment

3. Staff and Schriver agree with the facts and conclusions set out in this Part of this Settlement Agreement ("Agreement").

Introduction

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6. At all relevant times, Schriver was a registrant under section 31(1) of the Act.

Facts

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11. On May 2, 2000 Bruce P. Schriver Inc. ("Schriver Inc.") was incorporated and registered under the *Companies Act* in the Province of Nova Scotia. Schriver is shown as the sole officer and director of Schriver Inc.

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Mitigating Factors

15. Schriver acknowledges and accepts responsibility for his conduct which is the subject matter of Staff's allegations.

Conduct Contrary to the Public Interest

16. In summary, during material times Schriver's actions violated Nova Scotia securities laws and were contrary to the public interest. Schriver's conduct was detrimental to the integrity and efficiency of the capital markets in Nova Scotia and was prejudicial to the interests of its Nova Scotian investors.

PART IV – POSITION OF SCHRIVER

17. Schriver admits the facts set forth in Part III herein and acknowledges that he violated the Act.

PART V – TERMS OF SETTLEMENT

18. The terms of settlement are set forth in the order contained in Schedule "A" to this Agreement which is expressly incorporated herein.

PART VI – COMMITMENTS

19. If this Agreement is approved by the Commission, Staff will not initiate any further proceedings before the Commission related to those facts set out in Part III of this Agreement in accordance with the procedures described herein
20. If this Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting Schriver in this matter and Schriver agrees to waive any right to a full hearing and appeal of this matter under the Act.
21. If this Agreement is approved by the Commission, the parties to this Agreement will not make any statement that is inconsistent with the Agreement,
22. If this Agreement is approved by the Commission, Schriver shall abide by all terms of this Agreement in accordance with the Order set forth in Schedule "A". If, for any reason, Schriver fails to comply with any or all terms of the Order set forth in Schedule "A", his registration with the Commission shall be revoked.
23. If, for any reason whatsoever, this Agreement is not approved by the Commission, or the Order set forth in Schedule "A" is not made by the Commission:
 - a. Each of Staff and Schriver will be entitled to proceed to a hearing of the allegations in the Notice of Hearing and related Statement of Allegations 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 Staff and Schriver or as may otherwise be required by law; and
 - c. Schriver 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.
24. If, in the view of Staff and prior to the approval of this Agreement by the Commission, there are new facts or issues of substantial concern regarding the facts set out in Part III of this Agreement, Staff will be at liberty to withdraw from this Agreement. Notice of such intention will be provided to Schriver in writing. In the event of such notice being given, the provisions of paragraph 26 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

VIII DISCLOSURE OF SETTLEMENT AGREEMENT

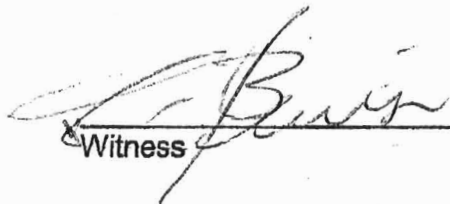
25. Staff or Schriver may refer to any or all parts of this Agreement in the course of the hearing convened to consider this Agreement. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to it until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

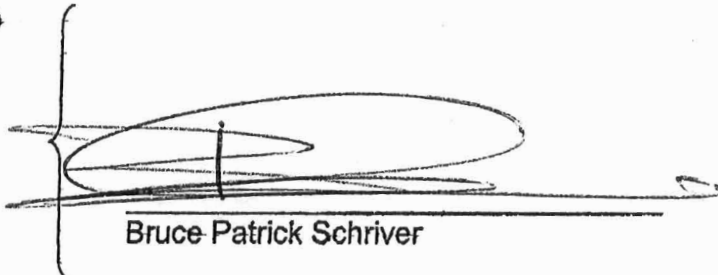
IX EXECUTION OF SETTLEMENT AGREEMENT

26. 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 this 29th day of June, 2006.

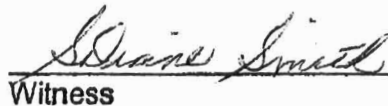
SIGNED, SEALED AND DELIVERED
In the presence of:


Witness

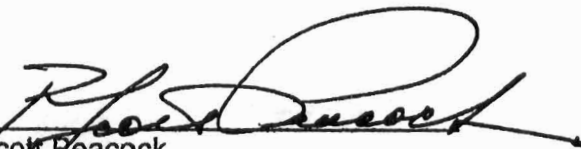

Bruce Patrick Schriver

Dated this 6th day of July, 2006.

SIGNED, SEALED AND DELIVERED
In the presence of:


Witness

Staff of the Nova Scotia Securities
Commission

Per: 
R. Scott Peacock
Deputy Director
Compliance and Enforcement
Nova Scotia Securities Commission

SCHEDULE "A"

**IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, C. 418 as amended ("Act")**

-AND-

**IN THE MATTER OF
BRUCE PATRICK SCHRIVER ("Respondent")**

ORDER

(Sections 134, 135, 135A)

WHEREAS on _____, 2006, the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing pursuant to sections 134, 135 and 135A of the Act in respect to Schriver;

AND WHEREAS Schriver entered into a settlement agreement with Staff of the Commission ("Staff") whereby he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS Staff recommended approval of the settlement agreement;

AND UPON reviewing the settlement agreement and the Notice of Hearing, and upon hearing submissions of counsel for Staff and David Coles, Q.C. on behalf of Schriver;

AND WHEREAS the Commission is of the opinion that Schriver has contravened the Act and it is in the public interest to make this Order;

IT IS HEREBY ORDERED, pursuant to sections 134, 135 and 135A of the Act, that:

1. the settlement agreement dated _____, 2006, a copy of which is attached, is approved;
2. pursuant to section 33(1) of the Act, that Schriver's registration under the Act shall be suspended from June 1, 2004 up to and including June 1, 2006;
3. pursuant to section 135 of the Act, Schriver shall pay an administrative penalty in the amount of twelve thousand five hundred dollars (\$12,500.00) within 60 days of the date of this Order;
4. pursuant to section 135A of the Act, Schriver shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of six thousand dollars (\$6,000.00) forthwith;

DATED at Halifax, Nova Scotia, this _____ day of _____, 2006.

NOVA SCOTIA SECURITIES COMMISSION

(Chairman)