



## Securities Commission

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**November 23, 2012**

### **Settlement Agreement Approved for Keybase Financial Group Inc.**

**Halifax** - The Nova Scotia Securities Commission has approved a settlement agreement with Keybase Financial Group Inc.

Keybase violated Nova Scotia securities laws by failing to ensure the accurate recording of client information by employees during new account applications. The respondents also failed to make sufficient enquiries of client credit worthiness, instead relying on the third-party investment lender to make the determination. Keybase also failed to ensure that all of its employees were properly registered with the commission.

Keybase has accepted responsibility for its conduct and were cooperative with commission staff. Keybase also reviewed and improved its internal compliance systems.

The commission approved the settlement agreement and ordered Keybase to:

- be reprimanded
- comply with Nova Scotia securities laws
- comply with the Mutual Fund Dealers Association suitability guidelines
- make a payment of \$148,798
- pay an administrative penalty of \$100,000
- pay costs in connection with the commission investigation and proceedings of \$10,000.

The Nova Scotia Securities Commission is the provincial government agency responsible for regulating trading in securities in the province. To view the order visit [www.gov.ns.ca/nssc/docs/KeybaseOrderNov\\_23\\_2012.pdf](http://www.gov.ns.ca/nssc/docs/KeybaseOrderNov_23_2012.pdf)

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