

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

- and -

IN THE MATTER OF
MICHAEL DENNIS LYNCH ("Lynch")

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. Staff of the Nova Scotia Securities Commission ("Commission") agrees to request that a Notice of Hearing be issued setting a hearing down to consider whether, pursuant to section 135 of the Act, in the opinion of the Commission, it is in the public interest for the Commission to:
 - a. Approve this settlement agreement;
 - b. Make a determination pursuant to section 135(a) of the Act that Lynch has contravened the Act or its regulations; and
 - c. Make an order pursuant to section 135(b) that Lynch pay an administrative penalty in the amount of three thousand five hundred dollars (\$3,500.00) forthwith.

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agrees to recommend settlement of the proceedings initiated in respect of Lynch by Notice of Hearing in accordance with General Rules of Practice and Procedure and the terms and conditions set out below. Lynch 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

Acknowledgment

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

Handwritten signatures of the parties involved in the settlement agreement.

Introduction

4. Lynch was granted registration by the Commission as a salesperson with Equion Securities Canada Limited (currently known as Assante Financial Management Inc.) ("Assante") on February 19, 1996.
5. Lynch held continuous registration as a salesperson with Assante until his registration was transferred to Investia Financial Services Inc. ("Investia") on December 1, 2006.
6. Lynch is currently listed on the National Registration Database as having employment with Investia and Michael D. Lynch Investment Services Inc.

Facts

7. On October 26, 2004 Lynch was charged with a violation of the Criminal Code. He pleaded guilty to a criminal offense on September 21, 2005, and was sentenced on November 21, 2005, paid a \$50.00 fine and was discharged.
8. Lynch informed Assante of his criminal charge on December 5, 2005. On that date, disclosure was provided to the Commission via the National Registration Database.
9. Lynch failed to inform the Commission within 5 business days of the criminal charge, thereby violating section 4.1 of Multilateral Instrument 33-109.
10. Lynch is the President, Secretary and Director of Lynchpin Investment Services Inc. ("Lynchpin"), a company which was registered and incorporated in Nova Scotia on August 8, 2002.
11. Lynchpin Wealth and Transition Management and Trinitas Wealth and Transition Management were registered by Lynchpin as partnerships/business names with the Nova Scotia Registry of Joint Stock Companies on September 17, 2007.
12. Lynch failed to inform the Commission within 5 business days of the changes in his current employment, thereby violating section 4.1 of Multilateral Instrument 33-109.

Mitigating Factors

13. Lynch acknowledges and accepts responsibility for his conduct which is the subject matter of Staff's allegations.
14. Lynch cooperated with Staff's investigation of this matter.

Conduct Contrary to the Public Interest

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15. In summary, during material times Lynch's actions violated Nova Scotia securities laws and were contrary to the public interest.

PART IV – POSITION OF LYNCH


16. Lynch admits the facts set forth in Part III herein and acknowledges that he violated Nova Scotia securities laws.
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PART V – TERMS OF SETTLEMENT

17. 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

18. 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.
19. If this Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting Lynch in this matter and Lynch agrees to waive any right to a full hearing and appeal of this matter under the Act.
20. If this Agreement is approved by the Commission, the parties to this Agreement will not make any statement that is inconsistent with the Agreement.
21. If this Agreement is approved by the Commission, Lynch shall abide by all terms of this Agreement in accordance with the Order set forth in Schedule "A".
22. 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 Lynch 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 Lynch or as may otherwise be required by law; and

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c. Lynch 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.

23. 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 Lynch in writing. In the event of such notice being given, the provisions of paragraph 18 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

24. Staff or Lynch 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 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.




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IX EXECUTION OF SETTLEMENT AGREEMENT


25. 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 22nd day of October 2008.

SIGNED, SEALED AND DELIVERED
In the presence of:



Witness



Michael Dennis Lynch


Dated this 22nd day of October 2008.

SIGNED, SEALED AND DELIVERED
In the presence of:



Witness

Staff of the Nova Scotia Securities
Commission

Per: 

J. William Slattery
Acting Director
Nova Scotia Securities Commission

SCHEDULE "A"

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

- AND -

**IN THE MATTER OF
MICHAEL DENNIS LYNCH ("Respondent")**

**ORDER
(Section 135)**

WHEREAS on _____, 2008 the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing to the Respondent pursuant to section 135 of the Act;

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

AND WHEREAS Staff and the Respondent recommended approval of the settlement agreement;

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 UPON and upon hearing submissions of counsel for Staff and the Respondent;

IT IS HEREBY ORDERED that:

1. the settlement agreement dated _____, 2008, a copy of which is attached, is approved; and
2. pursuant to section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of three thousand five hundred dollars (\$3,500.00) forthwith.

DATED at Halifax, Nova Scotia, this _____ day of _____, 2008.

NOVA SCOTIA SECURITIES COMMISSION

(Chairman)