

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

- AND -

IN THE MATTER OF  
MARIO MARINO (the "RESPONDENT")

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The parties to this Settlement Agreement ("Agreement") are the Respondent and Staff of the Nova Scotia Securities Commission.
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. Staff of the Commission ("Staff") 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. Staff and the Respondent agree with the facts and conclusions set out in this Part of the Agreement.
9. The Respondent is a resident of Woodbridge, Ontario.



10. The Respondent is President and Chief Operating Officer (Canadian Operations) for High Liner Foods Incorporated ("HLF").
11. HLF is a reporting issuer in the Province of Nova Scotia.
12. The Respondent is in a special relationship with HLF, as defined by Section 82(5)(c) of the Act.
13. The Respondent is an insider of HLF as defined in Section 2(r)(i) of the Act.
14. The Respondent made a decision to exercise all of his share options which were going to expire in March 2006 and to sell these shares prior to the HLF trading blackout which would commence on January 10, 2006.
15. The Respondent contacted Dundee Securities in late November or early December 2005 to advise of his intent to exercise the share options and sell the HLF shares. The Respondent initiated the process at this time because he was aware that the HLF shares had limited liquidity and might take some time to sell.
16. On December 20, 2005, the Respondent signed an option exercise form for 9,400 shares of HLF. This was approved by Claire Milton, the Corporate Secretary of HLF, on December 21, 2005, and forwarded to Dundee Securities on that same date.
17. Because of the limited liquidity of the HLF shares, Dundee Securities was unable to secure a trade for the full block of shares. Ultimately, the following trades were arranged by Dundee:

Date	No. of Shares	Price
December 22, 2005	3,000	\$9.40
January 5, 2006	5,000	\$9.25
January 6, 2006	1,100	\$9.10
January 9, 2006	300	\$9.40

18. The Respondent was required to file insider trading reports with respect to the sale of any shares in HLF. These reports were filed on his behalf by Richard Gray, the Assistant Corporate Secretary of HLF, based upon information provided to Mr. Gray by Dundee Securities. The necessary reports were filed with respect to the trades which took place on December 22, 2005, January 5, 2006, and January 6, 2006. Dundee did not provide the required information with respect to the trade on January 9, 2006, and, as a result, the report was not filed. The Respondent was not aware of this omission.

19. The Respondent received, by e-mail, the Week 52 Key Indicator Report of HLF which projected a loss for the fourth quarter of 2005 in the amount of \$1.625 million or 18¢ per share.
20. HLF had a policy on corporate disclosure, confidentiality and employee trading ("the Disclosure and Trading Policy"). The Disclosure and Trading Policy required that an officer such as the Respondent pre-clear any trading in HLF shares and provided that approval might be withheld if a significant business development was imminent and where the public disclosure of that development might affect the market's perception of the company's shares. The Respondent had the necessary approval for all of the trades which took place in December 2005 and January 2006.
21. The Disclosure and Trading Policy permitted officers such as the Respondent to trade in HLF shares unless the Chief Financial Officer or corporate counsel had issued a special prohibition. No such prohibition was issued during the period from December 22, 2005, to January 9, 2006.
22. At the time of receipt of the Week 52 Key Indicator Report, the Respondent did not believe that this represented material information that might affect his ability to continue efforts to sell the HLF shares.
23. The Respondent now acknowledges that the information contained in the Week 52 Key Indicator Report was material with respect to HLF and that the sale of shares by him on January 6 and 9, 2006, was in violation of Section 82(1) of the Act.
24. By selling the shares of HLF on January 6 and 9, 2006, the Respondent avoided a loss of \$370.
25. The Respondent acknowledges that it is his obligation to ensure that insider trading reports are filed with respect to any sale of shares by him in HLF. He acknowledges that the failure to file such a report with respect to the sale of 300 shares on January 9, 2006, is a violation of Section 113(2) of the Act.

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

26. The Respondent acknowledges and admits that he violated sections 82(1) and 113(2) of the Act.
27. 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.



28. The Respondent admits the facts set forth in Part III herein and acknowledges that he violated the Act.

#### **PART V - MITIGATING FACTORS**

29. The Respondent acknowledges and accepts responsibility for his conduct which is the subject matter of this Agreement.
30. The Respondent's violations of Nova Scotia securities laws were unintentional and not dishonest and were not done for purposes of avoiding loss or achieving an advantage in the securities marketplace.
31. The Respondent has not been previously sanctioned by any securities commission.
32. The Respondent cooperated with Staff's investigation of this matter.

#### **PART VI - TERMS OF SETTLEMENT**

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

#### **PART VII - COMMITMENTS**

35. 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.
36. 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.
37. 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".
38. 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. Staff 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 Staff 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.
39. 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 the Respondent in writing. In the event of such notice being given, the provisions of paragraph 38 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

40. Staff 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.

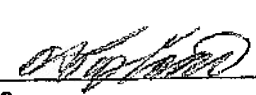


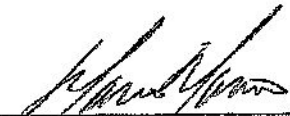
**IX EXECUTION OF SETTLEMENT AGREEMENT**

41. 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 17<sup>th</sup> day of November 2008.


SIGNED, SEALED AND DELIVERED  
In the presence of:

  
\_\_\_\_\_  
Witness

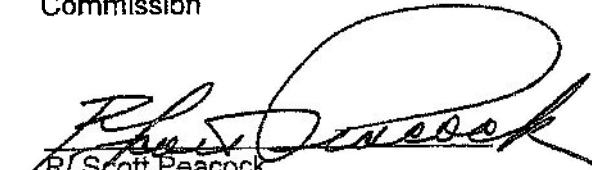
  
\_\_\_\_\_  
Mario Marino

Dated this 19<sup>th</sup> day of November 2008.

SIGNED, SEALED AND DELIVERED  
In the presence of:

  
\_\_\_\_\_  
Witness

**VANESSA F. ALLEN**  
A Commissioner of the Supreme  
Court of Nova Scotia

Staff of the Nova Scotia Securities  
Commission  
  
\_\_\_\_\_  
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, CHAPTER 418, AS AMENDED ("Act")

- AND -

IN THE MATTER OF  
MARIO MARINO ("Respondent")

**ORDER**

(Sections 135, 135A and 136A)

**WHEREAS** on September 9, 2008 the Nova Scotia Securities Commission ("Commission") issued an Amended 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 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 November \_\_\_\_, 2008, a copy of which is attached, is approved;



2. pursuant to section 135 of the Act that the Respondent pay an administrative penalty in the amount of ten thousand dollars (\$10,000.00) forthwith; and
3. pursuant to section 135A of the Act that the Respondent pay costs in connection with Staff's investigation and conduct of the proceedings before the Commission in the amount of five thousand dollars (\$5,000.00) forthwith, and
4. pursuant to section 136A of the Act that the Respondent successfully complete training relating to the role and responsibilities of an officer of a reporting issuer within one year of the date of this order which meets the approval of Staff, which approval shall not be unreasonably withheld.

DATED at Halifax, Nova Scotia, this \_\_\_\_\_ day of November 2008.

NOVA SCOTIA SECURITIES COMMISSION



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Walter Thompson, Q.C., Panel Chair

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David Gruchy

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Ken MacAulay