

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

-AND-

**IN THE MATTER OF
IPC SECURITIES CORPORATION (“IPC”)**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. By Notice of Hearing dated July 4, 2006 (“Notice of Hearing”), the Nova Scotia Securities Commission (“Commission”) announced that it proposed to hold a hearing to consider whether, pursuant to sections 33, 134, 135 and 135A of the Act, in the opinion of the Commission, it is in the public interest for the Commission:
 - a. to approve this settlement agreement;
 - b. to order, pursuant to section 33(1) of the Act, that IPC’s registration under the Act shall be subject to the terms and conditions that it shall not enroll or take on any new client(s) in Nova Scotia until it has:
 - i. complied with Nova Scotia securities laws; and
 - ii. submitted a compliance plan for the Nova Scotia operations of IPC in a form and content satisfactory to the staff of the Commission.
 - c. to order, pursuant to section 134(1)(a)(i) of the Act that IPC comply with Nova Scotia securities laws;
 - d. to order, pursuant to section 135 of the Act, that IPC pay an administrative penalty in the amount of ten thousand dollars (\$10,000.00);
 - e. to order, pursuant to section 135A of the Act, that IPC pay costs in connection with the investigation and prosecution of the offence in the amount of twenty five hundred dollars (\$2,500.00).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceedings initiated in respect of IPC by the Notice of Hearing in accordance with the terms and conditions set out below. IPC 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 violation of the Act.

PART III – STATEMENT OF FACTS AND CONCLUSIONS

Acknowledgment

3. Staff and IPC agree with the facts and conclusions set out in this Part of this Settlement Agreement (“Agreement”).

Introduction

4. IPC is an Ontario incorporated company, with its head office in Mississauga, Ontario.
5. IPC is registered as an investment dealer in Ontario, British Columbia, Quebec, Nova Scotia, Alberta, Saskatchewan, Manitoba and New Brunswick.
6. IPC is a member in good standing of the Investment Dealers Association of Canada.
7. John G. Novachis (“Novachis”) is the President of IPC.
8. Barry Hennigar (“Hennigar”) is a salesperson of IPC.

Facts

9. On September 28, 2004, the Commission granted a Ruling wherein IPC was exempt from the requirements of General Securities Rules 22(1), 22(2), 30(5) and 30(6) (“Ruling”).
10. The Ruling required IPC to notify the Director of the Commission if it established an office in Nova Scotia.
11. On May 9, 2005 Hennigar was approved for out of province registration in Nova Scotia.
12. On or about July 28, 2005 Hennigar began operating out of an office in Wolfville, NS (“Wolfville Office”).

13. On July 28, 2005 IPC submitted to the Commission a request to open the Wolfville Office, and a request to change Hennigar's employment location to Wolfville, NS.
14. On July 28, 2005, the Commission notified IPC that it would be required to apply for an exemption from General Securities Rule 22(2) with respect to the Wolfville Office.
15. The Secretary of the Commission ("Secretary") received an exemption request from IPC on September 1, 2005. On September 6, 2005 the Secretary responded to IPC indicating that there were deficiencies in the request.
16. The Secretary received a revised copy of the exemption request on November 25, 2005. The documentation provided with this request indicated that Hennigar was, at the time, working out of the Wolfville office.
17. Hennigar continued to operate out of the Wolfville office until the end of January, 2006 in contravention of Nova Scotia securities laws.

Mitigating Factors

18. IPC acknowledges and accepts responsibility for its conduct which is the subject matter of Staff's allegations.
19. IPC regrets and acknowledges the deficiencies with its internal compliance procedures and has implemented specific policies and actions to respond to those deficiencies.
20. Novachis, on behalf of IPC, cooperated fully with Staff's investigation.

Conduct Contrary to the Public Interest

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

22. IPC admits the facts set forth in Part III herein and acknowledges its violation of the Act.

PART V – TERMS OF SETTLEMENT

23. 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

24. If this Agreement is approved by the Commission, Staff will not initiate any further complaint to the Commission in respect to the conduct alleged in this proceeding except in accordance with the procedures described herein and such further procedures as may be agreed upon between Staff and IPC.
25. If this Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting IPC in this matter and IPC agrees to waive any right to a full hearing and appeal of this matter under the Act.
26. If this Agreement is approved by the Commission, the parties to this Agreement will not make any statement that is inconsistent with the Agreement.
27. 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 IPC 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 proceeding or disclosed to any person except with the written consent of Staff and IPC or as may otherwise be required by law; and
 - c. IPC 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.
28. 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 IPC in writing. In the event of such notice being given, the provisions of paragraph 27 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

29. Staff or IPC 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

30. 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 6th day of July, 2006.

SIGNED, SEALED AND DELIVERED
In the presence of:

___"Tim Pryor"
Witness _____

IPC Securities Corporation

Per: ___"John G. Novachis"
John G. Novachis
President _____

Dated this _____ day of _____, 2006.

SIGNED, SEALED AND DELIVERED
In the presence of:

___"Heidi G. Schedler"
Witness _____

Staff of the Nova Scotia Securities
Commission

Per: ___"R. Scott Peacock"
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
IPC SECURITIES CORPORATION ("Respondent")**

ORDER

(Sections 33, 134, 135, 135A)

WHEREAS on _____, the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing pursuant to sections 33, 134, 135 and 135A of the Act in respect to the Respondent;

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 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 the Respondent himself;

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;

IT IS HEREBY ORDERED, pursuant to sections 33, 134, 135 and 135A of the Act, that:

1. The settlement agreement dated _____, a copy of which is attached, is approved;
2. Pursuant to section 33(1) of the Act, the Respondent's registration under the Act shall be subject to the terms and conditions that it shall not enroll or take on any new client(s) in Nova Scotia until it has:
 - i. complied with Nova Scotia securities laws; and
 - ii. submitted a compliance plan for the Nova Scotia operations of IPC in a form and content satisfactory to the staff of the Commission.

3. Pursuant to section 134(1)(a)(i) of the Act, the Respondent shall comply with Nova Scotia securities laws;
4. Pursuant to section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of ten thousand dollars (\$10,000.00);
5. Pursuant to section 135A of the Act, the Respondent shall pay costs in connection with the investigation and prosecution of the offence in the amount of two thousand five hundred dollars (\$2,500.00).

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

NOVA SCOTIA SECURITIES COMMISSION

(Chairman)