

IN THE MATTER OF THE SECURITIES ACT

R.S.N.S. 1989, C. 418 as amended (the “Act”)

-AND-

IN THE MATTER OF

(Paul Brian Bowser also referred to herein as the “Respondent”)

SETTLEMENT AGREEMENT

I INTRODUCTION:

1. By Notice of Hearing dated the 2nd day of February, 2005, (the “Notice of Hearing”) the Nova Scotia Securities Commission (the “Commission”) announced that it proposed to hold a hearing 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:
 - a. to make an order pursuant to section 135(a) (i) of the Act determining that the Respondent has contravened the Act or its regulations;
 - b. to make an order pursuant to section 135(b) that the Respondent should pay an administrative penalty in an amount to be determined by the Commission upon hearing Staff of the Commission, who will recommend an administrative penalty of four thousand dollars (\$4000.00); and
 - c. to make an order pursuant to section 135A of the Act that the Respondent should pay costs in connection with the Staff’s investigation and conduct of the proceedings in an amount to be determined by the Commission upon hearing Staff of the Commission, who will recommend an order for costs in the amount of one thousand dollars (\$1000.00).
 - d. to make an order pursuant to section 136A of the Act, requiring the Respondent to provide evidence to the Deputy Director, Capital Markets of the Commission that he has taken and successfully completed the Conduct and Practices Course set by the Canadian Securities Institute 120 days from the date of the

Commission Order.

II JOINT SETTLEMENT RECOMMENDATION

1. Staff of the Commission (“Staff”) agree to recommend settlement of the proceedings initiated in respect of the Respondent by the Notice of Hearing in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts agreed to as hereinafter provided and the Respondent 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.
2. This settlement agreement including the attached Schedule “A” (collectively the “Settlement Agreement”), will be released to the public only if and when the settlement is approved by the Commission.

III SETTLEMENT OF FACTS AND CONCLUSIONS

Acknowledgment

1. Staff and the Respondent agree with the facts and conclusions set out in Part III of the Settlement Agreement.

Introduction

2. Select Money Strategies Incorporated (“Select”) was incorporated in the Province of Nova Scotia on February 27, 1996.
3. Select was granted registration by the Commission as a mutual fund dealer on the 29th day of October, 1996.

4. The Respondent was granted registration as a salesperson with Select on November 17, 1999.
5. The Respondent's registration was suspended with his resignation of employment with Select on December 03, 2004.

Facts

6. The Respondent sought registration with Quadrus Investment Services Ltd. ("Quadrus") on December 06, 2004.
7. The Respondent spoke with Staff of the Commission on December 10, 2004 and was informed he was not registered with Quadrus and could not further trades until he obtained registration.
8. On December 31, 2004, while unregistered, The Respondent prepared documentation for and faxed trading instructions to Mackenzie Financial Group for the account of K.B. and M.B. on January 02, 2005 from his home office facsimile.
9. On January 05, 2005, while unregistered, The Respondent prepared the documentation and faxed trading instructions to Fidelity Investments for the account of C.N. from his home office facsimile.
10. The Respondent obtained Know-Your-Client ("KYC") and account opening documentation from Quadrus.
11. The Respondent, while unregistered, forwarded KYC and account opening documentation to selective clients in order to process the transfer of clients to Quadrus using the Quadrus Branch Manager as the agent of record. The Quadrus Branch Manager, approved this scheme.
12. The Respondent met with clients and assisted clients in recording the account opening documentation to open an account at Quadrus.
13. On or about January 13, 2005, The Respondent, while unregistered, instructed his assistant to forward correspondence to a client indicating that he had obtained his registration with Quadrus.

Conduct Contrary to the Public Interest

14. In summary, The Respondent violated provisions of the Act and engaged in conduct contrary to the public interest in that he held himself out as being registered under the Act as a salesperson when he was aware he was not a registrant with the Commission, and engaged in acts in furtherance of trades which required registration.

IV POSITION OF THE RESPONDENT

The Respondent admits that he held himself out as having registration when he was aware he was not a registrant with the Commission. The Respondent did so in part by way of letter January 13, 2005. The letter had been prepared as a form on the Respondent's computer system with the expectation that it would be used only once the Respondent was registered. The Respondent's assistant prepared, signed and sent the letter without the knowledge of the Respondent. Had the Respondent seen the letter prior to its having been sent, he would not have allowed it to be sent. Nevertheless, the Respondent accepts responsibility for this letter.

The Respondent also met with individuals to have them sign documents allowing Quadrus to manage their accounts. The Respondent also allowed his telephone caller ID to appear as the name, "Quadrus," on the telephones of those to whom his outgoing calls were directed. These acts contributed to the Respondent's holding out as being registered when he was aware he was not a registrant with the Commission. The

Respondent did not understand these actions to amount to such holding out. However, the Respondent accepts full responsibility for these acts.

The Respondent admits that he engaged in acts in furtherance of trades which required registration when he was aware he was not a registrant with the Commission. Upon leaving Select, and after ascertaining that his registration would not be renewed quickly, the Respondent made efforts to determine what action he could and could not take vis a vis his former clients with Select. The Respondent did not understand that the actions referred to in items 7 to 12 above amounted to furthering trades. The Respondent would not have engaged in these activities if he had known they amounted to furthering trading contrary to the provisions of the Securities Act.

V TERMS OF SETTLEMENT

- j. The Respondent admits the allegations set forth in the Statement of Allegations and acknowledges his violation of the Act;

VI STAFF COMMITMENT

- k. If this Settlement Agreement is approved by the Commission, Staff will not

initiate any complaint to the Commission in accordance with the procedures described herein and such further procedures as may be agreed upon between Staff and the Respondent.

- l. If this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter and the Respondent agrees to waive any right to a full hearing and appeal of this matter under the Act.
- m. If this Settlement Agreement is approved by the Commission, the parties to this Settlement Agreement will not make any statement that is inconsistent with this Settlement Agreement.
- n. If, for any reason whatsoever, this settlement is not approved by the Commission, or the Order set forth in schedule "A" is not made by the Commission:
 - i. Each of Staff and Respondent will be entitled to proceed to a hearing of the allegation in the Notice of Hearing and related Statement of Allegations unaffected by the Settlement Agreement or the settlement negotiations;
 - ii. the terms of the Settlement 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
 - iii. The Respondent agrees that he will not raise in any proceeding the Settlement 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.
- o. If, prior to the approval of this Settlement Agreement by the Commission, there are new facts or issues of substantial concern, in the view of Staff, regarding the

facts set out in Part III of this Settlement Agreement, Staff will be at liberty to withdraw from this Settlement 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 in this part will apply as if this Settlement Agreement had not been approved in accordance with the procedures set out herein.

VIII DISCLOSURE OF SETTLEMENT AGREEMENT

- p. Staff or the Respondent may refer to any part or all of this Settlement 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 the parties to the Settlement Agreement 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

- q. This Settlement 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 4th day of February, 2005.

Signed in the presence of:

(**Witness**)

“Paul Bowser”

per:_____

[Respondent’s name]

Dated this 4th day of February , 2005.

Staff of the Nova Scotia Securities Commission

“R. Scott Peacock”

Per: _____

**R. Scott Peacock, Deputy Director
Compliance and Enforcement**

Nova Scotia Securities Commission