

The Manitoba Securities Commission
1130 - 405 Broadway
Winnipeg, Manitoba
R3C 3L6

Settlement Agreement

A Introduction

A1 On July 6, 2000, The Manitoba Securities Commission (the "Commission") issued a notice of hearing (the "Notice of Hearing") giving notice of its intention to hold a hearing under *The Securities Act* (the "Act") to consider:

1. whether or not it is in the public interest to order, pursuant to subsection 8(1) of the Act, that the registration of Carl James Dyck ("Dyck") as a salesman under the Act be suspended or cancelled;
2. whether or not it is in the public interest to order that Dyck pay the costs of the investigation and hearing;
3. such further and other matters and the making of such further and other orders as the Commission may deem appropriate.

A2 Discussions have been held between Dyck and staff of the Commission ("Staff") in an effort to settle the matters set out in the Notice of Hearing (the "Proceedings"). A settlement (the "Settlement") has been reached based on the terms and conditions set forth in this agreement (the "Settlement Agreement").

A3 Pursuant to the Settlement, Staff agrees to recommend to the Commission that the Proceedings initiated against Dyck be resolved and disposed of in accordance with the terms and conditions of this Settlement Agreement as set forth below. Dyck consents to the Settlement and to the making of the consent order referred to in subparagraph D1 below, on the terms and conditions set forth in this Settlement Agreement.

B Statement of Facts

B1 Carl James Dyck ("Dyck") was first registered under *The Securities Act* (the "Act") as a salesman on August 12, 1996 and has continued to be registered under the Act as follows:

- (a) from August 12, 1996 to December 31, 1999 with Aurum Securities Ltd.;
- (b) from January 1, 2000 to present with Summit Aurum Financial Group Inc.

B2 Dyck's present Certificate of Registration will expire, unless renewed, on January 1, 2001. At all material times, Dyck's employing broker was registered as a Broker-Dealer under the Act.

B3 At all material times, Mr. T was a resident of the Province of Manitoba.

B4 At all material times, Dyck was Mr. T's financial adviser.

B5 On or about August 11, 1998, Dyck completed a pre-approved acceptance certificate that had been approved for his client. The acceptance certificate was an application to the CIBC for a Visa card.

B6 Dyck completed the application such that it bore his own address, not that of Mr. T.

B7 The application bears Mr. T's signature. Mr. T trusted Dyck and did, as a matter of course, sign documents as presented to him by Dyck.

B8 At the time of the application, Mr. T was 74 years of age.

B9 The application provided for a free additional card for a family member. Dyck completed such portion of the application naming himself as the additional cardholder.

B10 As a result of the foregoing application, a CIBC Visa card account was opened in the name of the client, with the second cardholder being Dyck.

B11 Both credit cards were forwarded to Dyck.

B12 Mr. T did not knowingly request the issuance of a CIBC Visa credit card in his name, nor did he intend to obtain one.

B13 Mr. T did not knowingly authorize or request the issuance of a CIBC Visa credit card for Dyck's own personal use, nor did he intend to do so.

B14 At the time that the cards were issued, Dyck had two of his own credit cards, each with outstanding balances of approximately \$5,000.00. Dyck had also previously applied for another credit card and had been denied.

B15 Dyck used the CIBC Visa card issued in the name of Mr. T for a number of personal transactions, resulting in an accumulated debt of approximately \$3,300.00.

B16 Mr. T did not use the CIBC Visa card.

B17 In the spring of 1999, the collection department of CIBC contacted Mr. T. for payment of the outstanding debt generated by Dyck.

B18 Mr. T contacted his financial adviser, Dyck, for an explanation as to what the credit card situation was all about. Mr. T. contacted the police for assistance.

B19 Following Mr. T's inquiries, Dyck paid the outstanding debt.

C Acknowledgments by Dyck

C1 Dyck acknowledges and agrees that he:

- (a) obtained a credit card in the name of his client for his own personal use and expenses, based upon the credit and under the financial responsibility of his client;
- (b) obtained the credit card referred to above at subparagraph (a) without the knowledge, consent, or approval of his client;
- (c) made use of the credit card referred to above at subparagraph (a) for his own personal use and expenses;
- (d) failed to avoid personal financial dealings with his client by engaging in any or all of the foregoing acts; and
- (e) failed to act in the best interests of his client by engaging in any or all of the foregoing acts.

D Terms of Settlement

D1 In order to effect a resolution of the issues raised by the Notice of Hearing, Staff and Dyck have entered into this Settlement Agreement. Upon this basis, Staff seek an order (the "Consent Order") from the Commission consistent with the terms contained in section E of this Settlement Agreement, pursuant to subsection 8(1) of the Act.

D2 The Consent Order sought by Staff is as follows:

- (i) permanent cancellation of Dyck's registration as a salesman under the Act.

D3 Dyck is currently living in Brandon, Manitoba. He advises that he is separated from his wife and they have two children. He further advises he is paying the costs of the legal separation and for the support of his two children. He advises that he will no longer be working in the securities field as of November 1, 2000 should the Commission approve this settlement agreement and order the cancellation of his registration. Dyck further advises he has approximately \$15,000.00 of personal debt. In the circumstances, the claim for costs as raised by the Notice of Hearing is abandoned and no order for costs is sought.

E Procedure for Approval of Settlement

E1 The approval of this Settlement Agreement and the making of the Consent Order set out in this Settlement Agreement shall be sought at a public hearing pursuant to the Notice of Hearing.

E2 Staff and Dyck agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted to the Commission in connection with the Proceedings and Dyck hereby waives his right to a full hearing and appeal of this matter.

E3 If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the Consent Order referred to in subparagraph D1 above is not made by the Commission, Staff will be entitled to proceed with the hearing commenced by the Notice of Hearing unaffected by this Settlement Agreement or the settlement discussions. If this Settlement Agreement is not approved or the Consent Order set out in subparagraph D1 above is not made by the Commission, the terms of this Settlement Agreement will not be raised in the Proceedings or in any other proceeding.

E4 Staff and Dyck agree that if this Settlement Agreement is approved by the Commission and the Consent Order made upon the terms set out in this Settlement Agreement, this Settlement Agreement will be a public document.

E5 Dyck agrees that he will not raise in any proceeding this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as a basis for an attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other challenge that may be available.

DATED at Winnipeg, Manitoba, this 17th day of October, 2000.

"Ken Meech"
Witness

"Carl Dyck"
Carl James Dyck

DATED at Winnipeg, Manitoba, this 17th day of October, 2000.

Staff of the Manitoba Securities Commission
per: "Douglas R. Brown"
Douglas R. Brown,
Director, Legal and Enforcement