

IT IS ORDERED:

1. **THAT** the Settlement Agreement, Schedule "A", be and the same is hereby approved.
2. **THAT** under subsection 5(1)(d) of the Act, SIGMAR MORTGAGE SERVICES LTD. and THOMAS HAROLD STANDING be barred from being registered in any capacity under the Act or any such successor legislation and STANDING not be given or apply for any registration under the Act, or any such successor legislation, nor shall any company of which STANDING is an officer and/or director be given or apply for any registration under the Act, or its successor legislation, at any time in the future without further direction of the Commission.
3. **THAT** under subsection 3(5) of the Act, the exemptions under subsections 3(1), 3(2) or 3(3) do not apply to SIGMAR or STANDING, except that STANDING may rely on the exemption in paragraph 3(1)(f) for his own account, and not on behalf of any other person.

BY ORDER OF THE COMMISSION

Director

SCHEDULE "A"

SETTLEMENT AGREEMENT

BETWEEN:

**SIGMAR MORTGAGE SERVICES LTD. and
THOMAS HAROLD STANDING**

and

STAFF OF THE MANITOBA SECURITIES COMMISSION

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, MB R3C 4K5

IN THE MATTER OF: THE MORTGAGE BROKERS ACT

- and -

**IN THE MATTER OF: SIGMAR MORTGAGE SERVICES LTD. and
THOMAS HAROLD STANDING**

Settlement Agreement

1. Staff of The Manitoba Securities Commission, SIGMAR MORTGAGE SERVICES LTD. ("SIGMAR") and THOMAS HAROLD STANDING ("STANDING") have reached the following agreement:

Introduction

- 2.1 On March 23, 2021, The Manitoba Securities Commission (the "Commission") issued a notice of hearing (the "Notice of Hearing") of staff for a hearing (the "Hearing") under *The Mortgage Brokers Act* (the "MBA") to consider, *inter alia*:
 1. whether or not it is in the public interest to order, pursuant to subsection 5(1)(d) of the MBA, that the suspended registration of SIGMAR under the MBA continue to be suspended or cancelled;
 2. whether or not it is in the public interest to order, pursuant to subsection 5(1)(d) of the MBA, that the suspended registration of STANDING under the MBA continue to be suspended or cancelled;
 3. whether or not it is in the public interest to order, pursuant to subsection 5(1)(c) of the MBA, that SIGMAR pay a fine;
 4. whether or not it is in the public interest to order, pursuant to subsection 5(1)(c) of the MBA, that STANDING pay a fine;
 5. whether or not it is in the public interest to order, pursuant to subsection 3(5) of the MBA, that subsection 3(1), 3(2) or 3(3) does not apply to SIGMAR;
 6. whether or not it is in the public interest to order, pursuant to subsection 3(5) of the MBA, that subsection 3(1), 3(2) or 3(3) does not apply to STANDING;
 7. whether or not it is in the public interest that SIGMAR and STANDING be required to pay costs of and incidental to the hearing; and

8. such further and other orders as the Commission may deem appropriate.
- 2.2 Discussions have been held between SIGMAR, STANDING and Staff of The Manitoba Securities Commission ("Staff") to settle the matters covered in the Notice of Hearing and Statement of Allegations (the "Proceedings"). A settlement (the "Settlement") has been reached based on the terms and conditions set forth herein.
- 2.3 Pursuant to the Settlement, Staff agrees to recommend to the Commission that the Proceedings initiated against SIGMAR and STANDING be resolved and disposed of under the terms and conditions of this Agreement. SIGMAR and STANDING consent to the Settlement and to the consent order referred to in section 5.1 below.

SIGMAR and STANDING acknowledge the following facts as correct.

A. REGISTRATION

- 3.1. At all material times, SIGMAR was registered as a Mortgage Broker (Dealer) under The Mortgage Brokers Act ("MBA") and its predecessor. SIGMAR has been continuously registered since 1988 until March 4, 2021, when its registration was suspended.
- 3.2. At all material times, STANDING was registered as a mortgage authorized official under MBA with SIGMAR as his employing mortgage broker. STANDING has been registered continuously with SIGMAR, first as a mortgage salesperson from August 16, 1993 to May 31, 1995, and then registered as a mortgage authorized official on June 1, 1995 until March 4, 2021, when his registration was suspended.

B. DETAILS

KR, JL and DL

- 3.3. In 2013, KR, JL and DL approached SIGMAR to consolidate and pay out two existing mortgages with B2B Trust and Canada Trust on their property located at 619 Young Street, Winnipeg, Manitoba. The remainder of the funds would be put towards completing home upgrades at that address.
- 3.4. KR, JL and DL retained PG as their lawyer. In a letter dated September 5, 2013 from STANDING on behalf of SIGMAR to PG, STANDING acknowledged this new mortgage, and specifically directed PG to prepare and register a mortgage with SIGMAR as mortgagee in the amount of \$80,000 at 12% interest per annum calculated and compounded monthly. KR, JL and DL were required to make payments of \$1,000 per month, which included repayment of principal and interest.

- 3.5. SIGMAR, in the same letter, directed how the \$80,000 was to be applied. In particular, a portion of the proceeds were to be used to pay off the first and second active mortgages of KR, JL and DL detailed below:
 - a) B2B Trust (Mortgage # 3259778/1) - \$38,556.22
 - b) Canada Trust (Mortgage # 3497330) - \$19,063.52
 - 3.6. In a letter dated September 17, 2013 from STANDING on behalf of SIGMAR to PG, STANDING acknowledged that SIGMAR had retained \$61,438 from the \$80,000 mortgage for service fees, as well as to pay off the two existing mortgages from B2B Trust and Canada Trust. The remainder of funds were forwarded to PG's office.
 - 3.7. SIGMAR paid out the Canada Trust mortgage (Mortgage # 3497330) as directed, and it was discharged from the title to 619 Young Street on October 28, 2013.
 - 3.8. Contrary to what was stated in the letters of September 5, 2013 and September 17, 2013, SIGMAR and STANDING failed to pay out the B2B Trust mortgage, using the funds for other purposes. The B2B Trust mortgage was not discharged in 2013.
 - 3.9. Two years later, in a letter dated September 9, 2015, a law firm representing B2B Trust advised JL and KR that B2B Trust had initiated foreclosure proceedings against their property at 619 Young Street for non-payment of their mortgage. The letter included a demand for payment of \$50,473.56 by September 16, 2015.
 - 3.10. STANDING held ongoing discussions with B2B Trust in 2016 and 2017. In numerous email exchanges during this period, STANDING repeatedly provided excuses to B2B Trust when they asked for updates on the mortgage for 619 Young Street and when it would be settled. STANDING represented to B2B Trust that KR, JL and DL had fallen behind on their payments, but were in line to receive an inheritance and then pay out their mortgage, when he knew this was not the case.
 - 3.11. STANDING arranged to pay out the B2B Trust mortgage. On November 5, 2019 STANDING obtained a bank draft totalling \$77,367.93 issued to B2B Trust to discharge this mortgage. The bank draft was drawn from a different source.
 - 3.12. The B2B Trust mortgage was discharged from the title of 619 Young Street on December 5, 2019.
- JF and CL**
- 3.13. In January 2018, JF and CL's lawyer, DO, introduced JF and CL to STANDING regarding a potential investment of their savings. DO was also a client of SIGMAR.
 - 3.14. After the introduction, JF and CL made three investments with SIGMAR.

Investment #1 – 257-261 Osborne Street and 265 Osborne Street

- 3.15. In a letter dated March 1, 2018 from STANDING on behalf of SIGMAR to JF, STANDING detailed a mortgage investment opportunity for properties located at 257-261 and 265 Osborne Street, Winnipeg. The \$840,000 investment by JF would be secured in the form of a second mortgage on 257-261 Osborne Street and a second mortgage on an adjacent lot at 265 Osborne Street (collectively, the “Osborne Mortgage”).
- 3.16. The principal of the \$840,000 Osborne Mortgage was to be repaid to JF and CL by way of payments of \$9,500 per month, which included principal and interest of 13% per annum calculated and compounded monthly. The mortgage would be registered with SIGMAR as mortgagee, holding as trustee for JF and CL. SIGMAR deducted \$40,000 from the proceeds as a fee at the borrowers cost. In addition, when SIGMAR collected \$9,500 monthly mortgage payment from the borrower, SIGMAR would forward the payment on to JF and CL after deducting a fee of 1.5%.
- 3.17. On March 9, 2018, JF and CL agreed to the terms of the mortgage investment, and a cheque from their joint account was mailed to SIGMAR. The cheque cleared their bank on March 27, 2018.
- 3.18. On May 1, 2018, SIGMAR registered this mortgage (# 4952839/1). The Mortgage was registered with SIGMAR as Mortgagee.
- 3.19. JF and CL received 5 monthly mortgage payments being the \$9,500 payment less the 1.5% administration fee from SIGMAR between June 1, 2018 through to October 15, 2018.
- 3.20. October 15, 2018 was the date that the last payment was received from SIGMAR on the Osborne Mortgage. The balances as of this date, based upon SIGMAR's Statement of Account which accompanied the cheques, were as follows:
 - i. Investment return payments from SIGMAR made to JF and CL totalled approximately \$50,200.
 - ii. Balance remaining on the mortgage as of this date was \$841,930 including accrued interest.
- 3.21. SIGMAR discharged the Mortgage # 4952839/1 in full on December 17, 2019 without advising JF and CL.
- 3.22. JF and CL have received no further payments, nor the return of the principal amount that they advanced to fund Mortgage # 4952839/1.

Investment #2 – 696 Portage Avenue

- 3.23. In April 2018, STANDING contacted JF and CL regarding a different second mortgage investment opportunity with SIGMAR.
- 3.24. In a letter dated April 25, 2018, STANDING, on behalf of SIGMAR, outlined for JF and CL an investment opportunity at 696 Portage Avenue, Winnipeg,

Manitoba in the form of a second mortgage secured by the property. The investment of \$750,000 is one-half of a partnership on the mortgage of \$1,500,000 (the "Portage Mortgage").

- 3.25. The principal of the \$750,000 Portage Mortgage was to be repaid to JF and CL by way of payments of \$8,750 per month, which included principal and interest of 13% per annum calculated and compounded monthly. The mortgage would be registered with SIGMAR as mortgagee, holding as trustee for JF and CL. SIGMAR deducted \$67,500 from the proceeds as a fee at the borrowers' cost. In addition, when SIGMAR collected the \$8,750 monthly mortgage payment from the borrower, SIGMAR would forward the payment on to JF and CL after deducting a fee of 1.5%.
- 3.26. On May 1, 2018, JF and CL agreed to the offered terms and a cheque for \$750,000 was then sent to SIGMAR which cleared the bank on May 28, 2018.
- 3.27. On June 6, 2018, SIGMAR registered Mortgage # 4964048/1. The Mortgage was registered with SIGMAR as the sole mortgagee.
- 3.28. JF and CL received 15 of their scheduled payments each month between June 22, 2018 to September 6, 2019 from SIGMAR, except for the April 2019 payment, which was missed. A double payment was made on the May 2019 payment to make up for the missed payment.
- 3.29. The last payment made to JF and CL by SIGMAR on the Portage Mortgage was made on September 6, 2019 which was the date of the last payment that JF and CL received on this investment from SIGMAR. The balance of the principal as of this date, based upon SIGMAR's Statement of Account which accompanied the cheques, was \$749,980.58
- 3.30. SIGMAR registered a discharge of mortgage #4964048/1 on August 23, 2019, without advising JF and CL.
- 3.31. JF and CL have received no further payments, nor the return of the principal amount that they advanced to fund mortgage # 4964048/1.

Investment #3 - 25 Foster Street

- 3.32. In July of 2018, STANDING contacted JF and CL regarding a third investment opportunity with SIGMAR at 25 Foster Street, Winnipeg, Manitoba.
- 3.33. In a letter dated July 30, 2018, STANDING, on behalf of SIGMAR, outlined a third investment opportunity on a vacant commercial property located at 25 Foster Street, Winnipeg, Manitoba. The \$695,000 investment would come in the form of a first mortgage secured by the property itself (the "Foster Mortgage").
- 3.34. The principal of the \$695,000 Foster Mortgage was to be repaid to JF and CL by way of payments of \$7,400 per month, which included principal and interest of 11.5% per annum calculated and compounded monthly. The mortgage would be registered with SIGMAR as mortgagee, holding as trustee for JF and CL. SIGMAR deducted \$10,000 from the proceeds as a fee at the

borrowers cost. In addition, when SIGMAR collected the \$7,400 monthly mortgage payment from the borrower, SIGMAR would forward the payment on to JF and CL after deducting a fee of 1.5%.

- 3.35. On August 2, 2018, JF and CL agreed to these terms and a cheque for \$695,000 was sent to SIGMAR, which cleared the bank on August 9, 2018.
- 3.36. JF and CL received their scheduled monthly payment of \$7,400 from SIGMAR from November 2, 2018 until July 5, 2019.
- 3.37. JF and CL received further payment on October 5, 2019, which included the payment for October 2019, as well as the August 2019 and September 2019 payments, both of which had been missed.
- 3.38. JF and CL received their scheduled monthly payments from November 1, 2019 to April 27, 2020.
- 3.39. JF and CL received further payment on June 30, 2020, which included the June payment, as well as the payment for May 2020, which had been missed.
- 3.40. JF and CL received further payment on July 5, 2020.
- 3.41. On September 2, 2020, JF and CL received their scheduled September payment.
- 3.42. On September 11, 2020, JF and CL received their regular scheduled payment, and they received the missed August 2020 as well as the payment for October 2020. This was the last payment they received from SIGMAR on the Foster Mortgage.
- 3.43. SIGMAR never registered a first mortgage, or any mortgage, on 25 Foster Street to secure the investment by JF and CL as represented by STANDING and SIGMAR, and did not notify JF and CL of this failure.
- 3.44. JF and CL have received approximately \$170,200 back from their initial \$695,000 investment in the 25 Foster Street property. They have not received any further payments or return of principal since September 2020, and are owed approximately \$524,000 and accrued interest.

JF and CL Statement of Claim

- 3.45. On March 22, 2021, JF and CL filed a Statement of Claim against SIGMAR and STANDING, QB File No. CI21-01-30583 with respect to the Osborne Mortgage, the Portage Mortgage and the Foster Mortgage. The claim relied upon the same allegations as described above concerning the mortgages.
- 3.46. SIGMAR and STANDING did not file a statement of defence.
- 3.47. On May 5, 2021, a consent judgment for the full amount of the claim totalling \$2,797,137.90 plus costs and interest at 0.5% per annum was issued. STANDING consented to the judgment both on his own behalf, and on behalf of SIGMAR.

4088434 Manitoba Ltd. ("408") and GS

- 3.48. 408 is a Manitoba corporation. GS is the sole shareholder and directs the affairs of 408.

48 Albert Street and 52-56 Albert Street

- 3.49. In December 2013, STANDING contacted GS regarding a mortgage investment opportunity with SIGMAR. As an investment, 408 would loan \$200,000 as one of three investors on a mortgage registered against 48 Albert Street and 52-56 Albert Street. The principal was to be repaid to 408 by way of payments of \$2,322 per month, which included principal and interest of 12% per annum calculated and compounded monthly. The mortgage would be registered with SIGMAR as mortgagee, holding as trustee for 408 and the other investors. In addition, when SIGMAR collected the \$2,322 monthly mortgage payment from the borrower, SIGMAR would forward the payment on to 408 after deducting a fee of 1.5%. The loan was to be secured by mortgage number 4447617/1 (the "Albert Mortgage"). The terms of the agreement were set out in a trust agreement dated June 10, 2015.
- 3.50. In June 2016, SIGMAR approached GS as the same borrower was seeking a further \$180,000 on the same terms as the Albert Mortgage (the "Second Albert Investment"). GS agreed and 408 provided the further \$180,000.
- 3.51. The borrower missed several payments. In October 2017, SIGMAR advised 408 that 48 Albert Street was at risk of being sold at tax sale and that 408 would need to provide SIGMAR \$116,292 to prevent the loss. On October 22, 2017, 408 provided SIGMAR the \$116,292. As at October 31, 2017, exclusive of the tax sale amount, 408 was owed \$476,704 on the Albert Mortgage and the Second Albert Investment.
- 3.52. Foreclosure proceedings were commenced on 48 Albert Street, and it was sold at auction in November 2017. SIGMAR advised 408 that \$592,996.48 was being held in trust for 408 (the "Albert Investment Trust Funds"). 408 authorized SIGMAR to retain the funds in trust for future investment opportunities as expressly authorized by 408. These funds have never been paid to 408, and the amount exceeds the balance of SIGMAR's trust account on March 4, 2021.
- 3.53. In January 2018, SIGMAR approached 408 about a first mortgage on 48 Albert Street. 408 would fund half the \$350,000 mortgage, with the other half funded by Olympia Trust. The principal was to be repaid to 408 by way of payments of \$1,850 per month, which included principal and interest of 12% per annum calculated and compounded monthly. In addition to an initial fee of \$15,000 at the borrower's cost, when SIGMAR collected the \$1,850 monthly mortgage payment from the borrower, SIGMAR would forward the payment on to 408 after deducting a fee of 1.5%. The loan was to be secured by mortgage number 4926561/1 (the "Third Albert Mortgage").
- 3.54. As at February 15, 2021, the outstanding balance of the Third Albert Mortgage was \$172,485 plus interest at 12% per annum.

- 3.55. The borrower paid the balance owing on the Third Albert Mortgage to SIGMAR on behalf of 408 and Olympia Trust. The funds were deposited to SIGMAR's trust account on March 3, 2021. The funds have not been disbursed from the trust account to 408.

109 Victoria Avenue West and 30 Long Point Bay

- 3.56. In August 2015, SIGMAR approached 408 about a second mortgage on each of 109 Victoria Avenue West ("109 Victoria") and 30 Long Point Bay ("30 Long Point") (the "Victoria Long Point Mortgage"). As an investment, 408 would fund the \$100,000 second mortgage. The mortgage would be registered with SIGMAR as mortgagee, holding as trustee for 408. The principal was to be repaid to 408 by way of payments of \$1,400 per month, which included principal and interest of 13% per annum calculated and compounded monthly. In addition to an initial fee of \$5,000 at the borrower's cost, when SIGMAR collected the \$1,400 monthly mortgage payment from the borrower, SIGMAR would forward the payment on to 408 after deducting a fee of 1.5%. The loan was to be secured by mortgage number 4652894/1 against 109 Victoria and mortgage number 4652900/1 against 30 Long Point.
- 3.57. A discharge of mortgage number 4652894/1 against 109 Victoria was registered by SIGMAR on April 12, 2019 without advising 408.
- 3.58. A discharge of mortgage number 4652900/1 against 109 Victoria was registered by SIGMAR on January 22, 2020 without advising 408.
- 3.59. 408 has received no further payments, nor the return of the principal amount advanced to fund the Victoria Long Point Mortgage. The balance of the loan as at March 15, 2019 was \$88,587 plus interest at 13% per annum.

9 Meadows Drive

- 3.60. In January 2017, SIGMAR approached 408 about participating in a mortgage on 9 Meadows Drive (the "Meadows Mortgage"). As an investment, 408 would fund \$95,000 of a \$475,000 first mortgage. 408 was to receive interest of 12% per annum calculated and compounded monthly. In addition to an initial fee of \$19,000 at the borrower's cost, SIGMAR would deduct a fee of 1.5% on each payment. On January 25, 2017, 408 provided SIGMAR with \$95,000 to fund the Meadows Mortgage.
- 3.61. Shortly after, SIGMAR advised 408 the Meadows Mortgage was not proceeding.
- 3.62. 408 has received no payments, nor the return of the principal amount advanced to fund the Meadows Mortgage. The balance of the loan as at October 31, 2017 was \$103,495 plus interest at 12% per annum.

222 Osborne Street North and 23 Gordon Edward Crescent

- 3.63. In July 2017, SIGMAR approached 408 about a second mortgage on each of 222 Osborne Street North ("222 Osborne") and 23 Gordon Edward Crescent ("23 Gordon Edward") (the "Osborne Gordon Edward Mortgages"). As an

investment, 408 would fund the \$185,000 second mortgage. The mortgage would be registered with 408 as mortgagee. The principal was to be repaid to 408 by way of payments of \$2,200 per month, which included principal and interest of 13% per annum calculated and compounded monthly. In addition to an initial fee of \$7,400 at the borrower's cost, when SIGMAR collected the monthly mortgage payment from the borrower, SIGMAR would forward the payment on to 408 after deducting a fee of 1.5%. The loan was to be secured by mortgage number 4895239/1 against 222 Osborne and mortgage number 4895237/1 against 23 Gordon Edward. The Osborne Gordon Edward Mortgages were registered in August 2017.

- 3.64. A discharge of mortgage number 4895239/1 against 222 Osborne was registered by SIGMAR on May 5, 2020 without advising 408.
- 3.65. 408 has received no further payments, nor the return of the principal amount advanced to fund the Osborne Gordon Edward Mortgages. As of November 15, 2018, the outstanding balance on the Osborne Gordon Edward Mortgages was \$189,025.49 plus interest at 13% per annum.

46 Park Springs Drive and 19 Driftwater Trail

- 3.66. In August 2015, SIGMAR approached 408 about a second mortgage on each of 46 Park Springs Drive ("46 Park Springs") and 19 Driftwater Trail ("19 Driftwater") (the "Park Springs Driftwater Mortgages"). As an investment, 408 would fund \$130,000 on two second mortgages. The principal was to be repaid to 408 by way of payments of \$1,500 per month, which included principal and interest of 13% per annum calculated and compounded monthly. In addition to an initial fee of \$6,500 at the borrower's cost, when SIGMAR collected the monthly mortgage payment from the borrower, SIGMAR would forward the payment on to 408 after deducting a fee of 1.5%. The loan was secured by mortgage number 4926561/1 against 46 Park Springs and mortgage number 4735859/1 against 19 Driftwater.
- 3.67. As of November 5, 2020, the outstanding balance on the Park Springs Driftwater Mortgages was \$192,843 plus interest at 13% per annum.

408 Statement of Claim

- 3.68. On March 25, 2021, 408 filed a Statement of Claim against SIGMAR and STANDING, QB File No. CI21-01-30640 with respect to the 48 Albert, 109 Victoria, 30 Long Point, 9 Meadows, 222 Osborne, 23 Gordon Edward, 46 Park Springs and 19 Driftwater. The claim relied upon the same allegations as described above concerning the properties.
- 3.69. SIGMAR and STANDING did not file a statement of defence.
- 3.70. On May 4, 2021, a consent judgment for the full amount of the claim totalling \$1,481,907.29 plus costs and interest at 0.5% per annum was issued. STANDING consented to the judgment both on his own behalf, and on behalf of SIGMAR.

Bankruptcy of SIGMAR and STANDING

- 3.71. On July 29, 2021, each of SIGMAR and STANDING made voluntary assignments in bankruptcy under s. 49 of the *Bankruptcy and Insolvency Act* (Canada). Caplan and Company Ltd. was appointed as the trustee in bankruptcy over their respective estates.

C. ACKNOWLEDGMENTS

- 4.1. SIGMAR and STANDING each acknowledges that:

- (a) STANDING made false statements under the MBA by representing to KR, JL and DL that SIGMAR would retain a portion of the proceeds from a new mortgage to pay out the B2B Trust mortgage, when in fact the mortgage was not paid until years later and using funds from a different source;
- (b) SIGMAR and STANDING failed to discharge the B2B Trust mortgage as represented to KR, JL and DL in 2013;
- (c) SIGMAR and STANDING allowed the B2B Trust mortgage to fall into arrears while representing to B2B Trust that KR, JL and DL had fallen behind on payments when STANDING was aware that KR, JL and DL believed the mortgage had been discharged;
- (d) SIGMAR and STANDING discharged Mortgage # 4952839/1 in full without advising JF and CL the mortgage was discharged;
- (e) SIGMAR and STANDING failed, within a reasonable time, to properly account for, or pay over to JF and CL, any moneys received in connection with the discharge of Mortgage # 4952839/1;
- (f) SIGMAR and STANDING discharged Mortgage # 4964048/1 in full without advising JF and CL the mortgage was discharged;
- (g) SIGMAR and STANDING failed, within a reasonable time, to properly account for, or pay over to JF and CL, any moneys received in connection with the discharge of Mortgage # 4964048/1;
- (h) SIGMAR and STANDING represented to JF and CL that a first mortgage would be registered against 25 Foster Street on their behalf, when in fact no such mortgage was registered;
- (i) SIGMAR and STANDING represented to JF and CL that their loan of \$695,000 would fund a mortgage which would form a first charge on 25 Foster Street. SIGMAR and STANDING diverted their funds to other uses without their knowledge and no mortgage was ever placed on 25 Foster Street on their behalf;

- (j) SIGMAR and STANDING failed, within a reasonable time, to properly account for, or pay over to 408, any moneys received in connection with the discharge of mortgage number 4926561/1;
- (k) SIGMAR and STANDING discharged Mortgage number 652894/1 in full without advising 408 or GS the mortgage was discharged;
- (l) SIGMAR and STANDING discharged Mortgage number 4652900/1 in full without advising 408 or GS the mortgage was discharged;
- (m) SIGMAR and STANDING failed, within a reasonable time, to properly account for, or pay over to 408, any moneys received in connection with the discharge of mortgage number 4652900/1;
- (n) SIGMAR and STANDING discharged Mortgage number 4895239/1 in full without advising 408 or GS the mortgage was discharged;
- (o) SIGMAR and STANDING filed a discharge of Mortgage number 4895239/1.
- (p) SIGMAR and STANDING failed, within a reasonable time, to properly account for, or pay over to 408, any moneys received in connection with the discharge of mortgage number 4895239/1; and
- (q) SIGMAR and STANDING failed, within a reasonable time, to properly account for, or pay over to 408, moneys received in connection with mortgage number 4895237/1.

And as such:

- (a) SIGMAR and STANDING failed in their primary duty to protect and promote the best interests of their clients KR, JL, JF and, CL and 408.
- (b) SIGMAR's and STANDING's conduct, as set out in this Statement of Facts above, was contrary to the public interest.

Order

5.1 SIGMAR and STANDING consent to an order by the Commission (the "Order") that:

- (a) the Agreement be approved.
- (b) all registrations now and for the future under the MBA of each of SIGMAR and of STANDING be cancelled and, furthermore, SIGMAR and STANDING not be given or apply for any registration under the MBA, or any

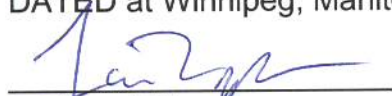
such successor legislation, nor shall any company of which STANDING is an officer and/or director be given or apply for any registration under the MBA, or its successor legislation, at any time in the future without further direction of the Commission.

- (c) the exemptions under subsections 3(1), 3(2) or 3(3) do not apply to SIGMAR or STANDING, except that STANDING may rely on the exemption in paragraph 3(1)(f) for his own account, and not on behalf of any other person.
- (d) the approval of this Agreement and the making of the Consent Order as set out in this Settlement Agreement shall be sought at a public hearing, in camera.

Waiver and Procedure for Approval of Settlement

- 6.1 Staff, SIGMAR and STANDING agree that, if the Commission approves this Agreement, it will constitute the entirety of the evidence to be submitted to the Commission in connection with the Proceedings, and that SIGMAR and STANDING each hereby waive their right to a full hearing and appeal of this matter.
- 6.2 If for any reason whatsoever the Commission does not approve this Agreement or the Consent Order referred to 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 Agreement or the settlement discussions. If this Agreement is not approved or the Commission does not make the Consent Order set out above, either Staff, SIGMAR or STANDING will not raise in the Proceedings or in any other proceeding the terms of the Agreement.
- 6.3 Staff, SIGMAR and STANDING agree that if the Commission approves this Agreement and the Consent Order is made upon the terms set out in this Agreement, this Agreement will be a public document.
- 6.4 SIGMAR and STANDING agree that they will not raise in any proceedings this Agreement or the negotiation or process of approval of this Agreement as a basis for an attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other challenges that may be available.
- 6.5 SIGMAR and STANDING further agree that if the Commission approves this Agreement and the Consent Order is made upon the terms set out in this Agreement, SIGMAR and STANDING will not make any statements inconsistent with the terms of this Agreement.

DATED at Winnipeg, Manitoba, this 18th day of November, 2021



Witness



Thomas Harold Standing

DATED at Winnipeg, Manitoba, this 18th day of November, 2021.

Faron Tippie
Witness

Sigmar Mortgage Services LTD.

Per: [Signature]

DATED at Winnipeg, Manitoba, this 18th day of November, 2021.

Staff of The Manitoba Securities
Commission

Per: [Signature]
Director