

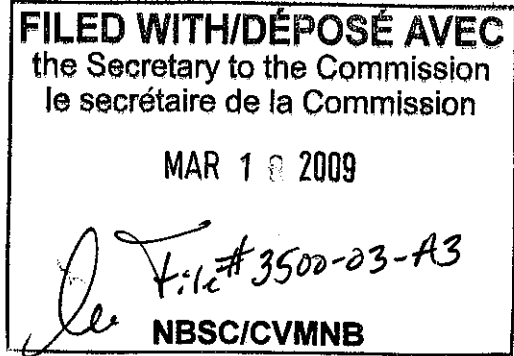
IN THE MATTER OF THE SECURITIES ACT,
SNB 2004, c. S-5.5, as amended

AND

IN THE MATTER OF

BARRY ADAMS

(Respondent)



SETTLEMENT AGREEMENT

Part I

1. STAFF TO RECOMMEND SETTLEMENT

Staff of the New Brunswick Securities Commission ("Staff") agree to recommend approval of settlement of this matter with respect to the Respondent Barry Adams ("Adams") to a panel of the New Brunswick Securities Commission pursuant to section 191(1)(a) of the *Securities Act*, in accordance with the following terms and conditions:

- a. The Respondent agrees to the Statement of Facts set out in Part II hereof, and consents to the making of an order on the basis of those facts, as set out in Schedule "A"; and
- b. The terms of any settlement will become public information only if, and when, the settlement is approved by the Commission.

2. RESPONDENT'S OBLIGATIONS IF SETTLEMENT APPROVED

If the Settlement Agreement is approved, the Respondent undertakes and/or agrees as follows:

- a. Not to make any statement, either directly or indirectly, which is inconsistent with the Agreed Statement of Facts herein. Any such statement shall constitute a breach of this Settlement Agreement;
- b. That, in accordance with an Order to be issued as set out in Schedule "A":
 - i. Pursuant to section 184(1)(c) of the *Securities Act*, the Respondent Barry Adams shall be barred from trading in any securities, other than those beneficially owned directly by him, for a period of 10 (ten) years;
 - ii. Pursuant to section 184(1)(d) of the *Securities Act*, any exemptions contained in New Brunswick securities law shall not apply to the Respondent Barry Adams for a period of 10 (ten) years;
 - iii. Pursuant to section 186(1) of the *Securities Act*, the Respondent Barry

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April 20, 2009

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Adams shall pay an administrative penalty in the amount of twenty thousand dollars (\$20,000.00);

- c. The Respondent's financial obligations under this Settlement Agreement do not constitute a claim provable in bankruptcy and are not discharged by any bankruptcy.

3. PROCEDURE FOR APPROVAL OF SETTLEMENT

- a. Upon execution of the Settlement Agreement by Staff and by the Respondent, Staff will apply to the Commission for an order approving the Settlement Agreement.
- b. If the Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence submitted respecting the Respondent in this matter.
- c. If the Settlement Agreement is approved by the Commission, the Respondent agrees to waive any right to a hearing and/or appeal with respect to this matter.
- d. If, for any reason whatsoever, this settlement is not approved by the Commission and the order set forth in Schedule "A" is not made by the Commission:
 - i. Staff and the Respondent will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing, unaffected by the Settlement Agreement or any of the settlement negotiations;
 - ii. The terms of this agreement will not be referred to in any subsequent proceeding or disclosed to any person, except with the written consent of both Staff and the Respondent or as may be required by law; and
 - iii. The Respondent further agrees that he will not raise, in any proceeding, the Settlement Agreement or the negotiation or process of approval thereof, as a basis for any attack on the jurisdiction of the Commission.

4. PROCEDURE ONCE SETTLEMENT APPROVED

- a. At any time after the settlement is approved and the Respondent has been discharged as a bankrupt, the Commission may file a certified copy of the order approving the settlement with the Court of Queen's Bench and obtain a judgment pursuant to section 189(1) of the *Securities Act*.
- b. The Respondent acknowledges and agrees that his financial obligations under this Settlement Agreement may be collected as a judgment of the Court of Queen's Bench for the recovery of a debt.

5. DISCLOSURE OF SETTLEMENT AGREEMENT

- a. The terms of the Settlement Agreement will be treated as confidential by the parties hereto until approved by the Commission and forever if, for any reason, the Settlement Agreement is not approved by the Commission; and

- b. Upon the approval of the Settlement Agreement by the Commission, any obligation as to confidentiality shall terminate and the Settlement Agreement will become public information.

6. BREACH OF SETTLEMENT AGREEMENT

- a. The Respondent acknowledges and understands that in the event of a breach or failure to comply, Staff may commence proceedings under section 179(2) of the Securities Act against the Respondent and seek any remedy available under that section, including an order for imprisonment and/or a fine.

7. STAFF COMMITMENT

If this settlement is approved by the Commission, Staff will not initiate any other proceeding under the Act against the Respondent in relation to the facts set out in Part II of this Settlement Agreement.

8. INDEPENDENT LEGAL ADVICE

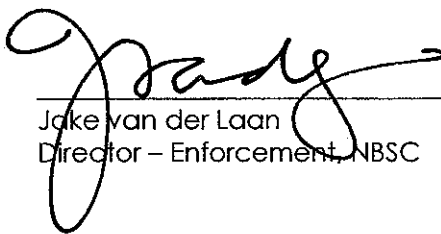
~~The Respondent acknowledges having received full and proper independent legal advice with respect to his entry into this Settlement Agreement.~~

*Mark M...
20 April 2009
Barry Adams
20 April 2009*

9. EXECUTION OF SETTLEMENT AGREEMENT

The Settlement Agreement shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original.

DATED at the City of Saint John this 10th March 09 day of February, 2009.



Jake van der Laan
Director - Enforcement, NBSC

DATED at the City of Saint John this 27th day of February, 2009.



Barry Adams



Witness:

Part II
STATEMENT OF FACTS

1. Barry Adams (Adams) resides in the City of Saint John, New Brunswick.
2. Adams is 52 years of age and has been employed as an insurance salesperson since 2005.
3. Adams was registered with the New Brunswick Securities Commission as a Mutual Funds salesperson between 16 February 2006 and 3 May 2007.
4. In or about September 2006, Walton International Ltd. (Walton) engaged Estate Financial Inc. (Estate), a New Brunswick insurance brokerage firm, to refer clients with respect to the sale of certain securities by Walton, under the exemption provisions set out in National Instrument 45-106 (NI 45-106).
5. NI 45-106 includes provisions, applicable in New Brunswick, which permit the receipt of commissions for the referral, solicitation and/or sale of securities where the purchaser is an "accredited investor".
6. Beginning in January 2007, Adams was engaged by Estate and subsequently participated in the distribution of Walton securities in New Brunswick by promoting Walton securities to a number of his New Brunswick clients and referring them to promotional seminars held by Walton.
7. Adams earned a commission of between 7% and 10% on all sales Walton made to clients he referred.
8. 8 of the 11 investors who purchased Walton securities after being referred by Adams were not accredited investors, which was a fact Adams knew or should have known at the time of the referral.
9. Adams earned commissions as a result of referrals of persons who were not accredited investors in the amount of approximately \$19,000.00
10. These commissions were subsequently returned to Walton by Estate, but the portions thereof advanced to Adams were not repaid by Adams to Estate.
11. Adams was interviewed by Commission staff on 10 May 2007. During the course of this interview Adams made multiple misleading statements to Staff, including the following:
 - a. He had not earned any commission or referral fees in respect of Walton securities.
 - b. His income was made exclusively through the sale of insurance products.
 - c. All commissions he received from Estate Financial (Estate) were in respect of insurance products.
 - d. He downplayed the nature of the referrals made and told Staff he did not believe that any of the persons he referred actually went to a seminar or spoke to a representative of Walton. In a subsequent interview Adams acknowledged this was not the case, and that he had in fact been present when several investors completed their subscription



agreements after a seminar or in the presence of a Walton representative.

- e. He denied being aware that G. M., a New Brunswick resident, had invested in Walton. In a subsequent interview Adams admitted to actually being in the room when G.M. signed the necessary paperwork.

Agreement that acts constitute violations of New Brunswick securities law

- 12. The Respondent agrees that he has violated section 45 of the *Securities Act* as a result of failing to comply with NI 45-106 by referring non accredited investors and receiving a commission for the referral of such investors to Walton.
- 13. The Respondent agrees that he has violated section 179(2) of the *Securities Act* by making misleading statements to Staff of the Commission.

Agreement that acts contrary to the public interest

- 14. The Respondent agrees that the violations of the *Securities Act* as set out herein constitute acts contrary to the public interest.

Cooperation and other mitigating factors

- 15. The Respondent has cooperated with Staff's investigation in this matter including appearing voluntarily to be examined by staff under oath.
- 16. The Respondent is remorseful about having failed to comply with New Brunswick securities law and particularly about having misled Staff of the Commission.
- 17. The Respondent has no prior history of regulatory non compliance.
- 18. No investors have suffered a financial loss as a result of the Respondent's violations.

The Respondent's ability to pay penalties and costs

- 19. The Respondent is currently an undischarged bankrupt.
- 20. The Respondent currently has no capacity to pay any administrative penalty.

Schedule "A"

IN THE MATTER OF THE SECURITIES ACT,
SNB 2004, c. S-5.5, as amended

AND

IN THE MATTER OF

BARRY ADAMS

(Respondent)

ORDER

WHEREAS Staff of the Commission filed a Statement of Allegations against the Respondent Barry Adams on 26 February 2009.

AND WHEREAS the said Respondent entered into a Settlement Agreement dated ~ February 2009 (the "Agreement") in which he agreed to a proposed settlement of violations of New Brunswick securities law as alleged in the Statement of Allegations, subject to the approval of the Commission;

AND UPON REVIEWING the said Agreement and the Agreed Statement of Facts therein;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. Pursuant to section 191(1)(a) of the Act, the Settlement Agreement entered into on ~ February 2009 with respect to the Respondent Barry Adams is hereby approved.
2. Pursuant to section 184(1)(c) of the *Securities Act*, the Respondent Barry Adams shall be barred from trading in any securities, other than those beneficially owned directly by him, for a period of 10 (ten) years;
3. Pursuant to section 184(1)(d) of the *Securities Act*, any exemptions contained in New Brunswick securities law shall not apply to the Respondent Barry Adams for a period of 10 (ten) years;
4. Pursuant to section 186(1) of the *Securities Act*, the Respondent Barry Adams shall pay an administrative penalty in the amount of twenty thousand dollars (\$20,000.00);

DATED at the City of Saint John this day of March, 2008.



~, Panel Chair

~, Panel Member

~, Panel Member

New Brunswick Securities Commission
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