

IN THE MATTER OF THE SECURITIES ACT, SNB 2004, c. S_5.5
AND
IN THE MATTER OF
BASKIN FINANCIAL SERVICES INC. and DAVID BASKIN ("THE
RESPONDENTS")

SETTLEMENT AGREEMENT

1. STAFF TO RECOMMEND SETTLEMENT

Staff of the New Brunswick Securities Commission ("Staff") agree to recommend approval of settlement of this matter 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 Respondents agree to the Statement of Facts set out in Part II hereof, and consent 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. RESPONDENTS' OBLIGATIONS IF SETTLEMENT APPROVED

If the Settlement Agreement is approved, the Respondents undertake to:

- a. Not make any statement which is inconsistent with the Statement of Facts attached hereto;
- b. Pursuant to the Order as set out in Schedule "A", to immediately seek proper registration under the provision of the *Securities Act*, or to cease providing any services to New Brunswick residents which require registration under the provisions of the *Securities Act*;
- c. Pursuant to the Order as set out in Schedule "A", to pay the registration fees which would have been due in 2004, 2005, and 2006, in the amount of \$3,600.00;

- d. Pursuant to the Order as set out in Schedule "A", to pay an administrative penalty, jointly and severally, in the amount of \$35,000; and
- e. Pursuant to the Order as set out in Schedule "A", to pay, jointly and severally, an amount of \$750 for the costs of the investigation.

3. PROCEDURE FOR APPROVAL OF SETTLEMENT

- a. Upon execution of the Settlement Agreement by Staff and by the Respondents, 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 to be submitted respecting the Respondents in this matter and the Respondents agree to waive any right to a hearing and/or appeal with respect to this matter.
- c. 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. Staff and the Respondents will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing, unaffected by the Settlement Agreement or 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 Respondents or as may be required by law; and
 - iii. The Respondents further agree that they 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. DISCLOSURE OF SETTLEMENT AGREEMENT

- a. The terms of the Settlement Agreement will be treated as confidential by the parties thereto 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.


5. STAFF COMMITMENT

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

6. 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 signature.

DATED at the City of Saint John this 12 day of April, 2007.



Jake van der Laan, Director - Enforcement
for Staff of the Commission

DATED at the City of Saint John this 12 day of April, 2007.

 
Baskin Financial Services Inc, per: _____
 
David Baskin _____
Witness: 

Part II
STATEMENT OF FACTS

The respondent

1. Baskin Financial Services, Inc. ("BFS") is an Ontario corporation having its head office at 95 St. Clair Ave. West, Suite 900, Toronto, Ontario.
2. BFS is not and never has been registered with the New Brunswick Securities Commission ("the Commission") in any capacity.
3. David Baskin ("Baskin") resides in Toronto, Ontario, and is the President and a Director of BFS. Baskin is not and has never been registered with the Commission in any capacity.
4. Baskin is registered as a portfolio manager and investment counsel/ financial advisor in Alberta, British Columbia, Nova Scotia and Ontario.

Activity in New Brunswick

5. In March 2004 two New Brunswick residents contacted BFS and Baskin with a request that BFS and Baskin act as their securities advisor and portfolio manager. BFS and Baskin agreed to so act and forwarded the necessary account opening forms to the two New Brunswick residents, which they completed and returned to BFS.
6. In June 2005 two additional New Brunswick residents contacted BFS and Baskin with a request that BFS and Baskin act as their securities advisor and portfolio manager. BFS and Baskin agreed to so act and forwarded the necessary account opening forms to the two New Brunswick residents, which they completed and returned to BFS.
7. Neither BFS nor Baskin solicited clients resident in New Brunswick.
8. Since March 2004 BFS and Baskin engaged in the provision of securities investment advice and portfolio management services for which they should have been registered with the Commission, pursuant to section 45 of the Securities Act.
9. During the course of the unregistered activity between 2004 and up to and including December 31, 2006, BFS billed investment management fees in relation to this activity in the amount of approximately \$43,000.00

Cooperation

10. The Respondents have fully cooperated with Staff's investigation in this matter

and they acknowledge their failure to register constitutes a violation of New Brunswick securities laws.

11. The Respondents have undertaken to immediately seek full compliance with New Brunswick securities laws.

No investors harmed

12. No investors have been harmed as a result of the Respondents' failure to register.

No issues with service provided to New Brunswick residents

13. Other than the failure of the Respondents to register, there is no evidence to suggest that the services rendered by the Respondents to the New Brunswick residents were inappropriate or improper.