

IN THE MATTER OF THE SECURITIES ACT,
S.N.B. 2004, c. S-5.5

AND

IN THE MATTER OF

**WFG SECURITIES OF CANADA INC., and
DAVID LIMPERT**

(Respondents)

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 Respondents WFG Securities of Canada Inc. ("WFGS"), and David Limpert ("Limpert") (together the "Respondents") to a panel of the New Brunswick Securities Commission pursuant to section 191(1)(a) of the *Securities Act*, 2004 S.N.B., c. s-5.5 (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, substantially similar to that 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 Respondents undertake and/or agree 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. In accordance with an order substantially similar to that set out in Schedule "A", that:
 - i. Pursuant to section 184(1)(g) of the *Securities Act*, each Respondent shall be reprimanded;

- ii. Pursuant to section 186(1) of the *Securities Act*, the Respondent WFGS shall pay an administrative penalty in the amount of twenty thousand dollars (\$20,000.00);

3. PROCEDURE FOR APPROVAL OF SETTLEMENT

- a. Upon execution of the Settlement Agreement by Staff and by the Respondents, and the receipt by Staff of a certified cheque in the amount of \$20,000, which shall be held in escrow, 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 Respondents in this matter.
- c. If the Settlement Agreement is approved by the Commission, the Respondents agree 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 Respondents 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 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 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.

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.

DATED at the City of Saint John this 31st day of May, 2010.

"original signed by"

Jake van der Laan
Director, Enforcement, NBSC

DATED at the City of Vaughan this 19th day of May, 2010.

WFG SECURITIES OF CANADA INC.

"original signed by" _____
Per: Richard Williams, Officer and Ultimate Designated Person Witness: _____

DATED at the City of Calgary this 18th day of May, 2010.

"original signed by" _____
Daivid Limpert Witness: _____

Part II
STATEMENT OF FACTS

1. WFG Securities of Canada Inc. ("WFGS") is a mutual fund dealer registered with the New Brunswick Securities Commission, with a head office at 3700 Steeles Avenue West in Vaughan, Ontario.
2. David Limpert ("Limpert") is an individual resident in Calgary, Alberta, where he is registered with the Alberta Securities Commission as a branch manager and dealing representative for WFGS.
3. From July 2008 until November 2009, WFGS operated an unregistered sub-branch out of Fredericton, New Brunswick.
4. The mutual fund salespersons/dealing representatives working out of the WFGS Fredericton sub-branch (the "Fredericton staff") were registered as operating out of the Moncton branch office.
5. WFGS allowed its entries in the National Registration Database to reflect that the Fredericton staff were being supervised by the Moncton branch manager, when this was not the case.
6. The Moncton branch manager had been asked by WFGS to supervise the Fredericton sub-branch, but declined on the basis that it would be untenable for them to supervise the Fredericton sub-branch from the Moncton branch office.
7. The Fredericton sub-branch was in fact supervised by Limpert, who at all times was resident in Alberta.
8. Limpert was never registered with the New Brunswick securities Commission in any capacity.

Agreement that acts constitute violations of New Brunswick securities law

9. WFGS agrees that it breached section 9.7(4) of Local Rule 31-501 by operating a sub-branch in Fredericton that was not supervised by an on-site branch manager or a designated branch manager in the same geographic region. Local Rule 31-501 was repealed on 28 September 2009.
10. WFGS agrees that it breached section 3.2(1) of Multilateral Instrument 33-109 by failing to advise the NBSC of the opening of the Fredericton sub-branch.

Agreement that acts contrary to the public interest

11. WFGS agrees that the breaches described in paragraph 9 and 10 above constitute acts contrary to the public interest.
12. Limpert agrees that it was contrary to the public interest for him to act as a branch manager of the Fredericton sub-branch without proper registration with the New

Brunswick Securities Commission.

Cooperation and other mitigating factors

13. Once Staff brought the deficiencies regarding the Fredericton sub-branch to the attention of WFGS, it corrected the deficiencies on its own initiative and in a timely manner.
14. The Respondents have cooperated fully with Staff.
15. There is no evidence or allegation that any investors were harmed as a result of the breaches described herein.

Schedule "A"

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AND

IN THE MATTER OF

**WFG SECURITIES OF CANADA INC., and
DAVID LIMPERT**

(Respondents)

ORDER

WHEREAS the Respondents entered into a Settlement Agreement dated ~ May 2010 (the "Agreement") in which they agreed to a proposed settlement of violations of New Brunswick securities law, 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:

- i. Pursuant to section 191(1)(a) of the *Securities Act*, the Agreement dated ~ May 2010 with respect to the Respondents is hereby approved;
- ii. Pursuant to section 184(1)(g) of the *Securities Act*, the Respondents are hereby reprimanded;
- iii. Pursuant to section 186(1) of the *Securities Act*, the Respondent WFG Securities of Canada Inc. 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 _____, 2010.

~, Panel Chair

~, Panel Member

~, Panel Member

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