

New
Nouveau  Brunswick

October 13, 1992

Mr. Norman H. Shott
14 Berkley Drive
Fredericton, N.B.
E3C 1C8

Re: Application for Reinstatement
of Salesperson's Registration

Dear Mr. Shott:

This letter constitutes my decision relating to your application for reinstatement as a salesperson under the Securities Act. This decision follows the Hearing of September 11, 1992.

At the Hearing an agreed Statement of Facts was submitted to me for consideration. Additionally, both you and the Deputy Administrator, Enforcement and Compliance, made representations. There did not appear to be any disagreements regarding the facts as submitted.

The Deputy Administrator argued that you "deliberately" mislead both this Office and your then employer on at least two occasions with regard to the payment of your registration fees. In his view the facts demonstrate a proclivity to lie which may cause you to use deceit in the future. Everyone registered to deal with New Brunswick clients and their investments must have a very high degree of honesty and integrity. Your behaviour, he submits, indicates that you have failed to meet these required standards and your registration should not be reinstated.

In your representations to me you specifically agreed with the Statement of Facts as presented. It was your opinion that a long delay in depositing the original cheque for your application fee, in addition to the considerable time taken to obtain your Certificate of Registration, contributed significantly to the unfortunate circumstances necessitating this hearing. You acknowledged your poor judgment in lying both to this Office and your employer with regard to having replaced NSF cheques when in fact you had not but you stressed that at no time did clients suffer from your actions.

As I indicated at the Hearing it is my duty as Administrator to balance the public interest as defined by the Securities Act with an individual's desire to earn a living by seeking registration under the Act. It is not always an easy task.

It is acknowledged without question that you lied to this Office as well as your immediate supervisor. This circumstance alone might be sufficient to deny any application for registration. However, you also misled this Office and your superior once again. The first occasion may be evidence simply of poor judgment. The second, however, I find to be evidence that you have not as yet recognized the importance of truthfulness and disclosure, perhaps the most important qualities required in the securities industry. It is indeed unfortunate that you were not more forthright about your difficulties when they first arose so as to avoid the subsequent chain of events.

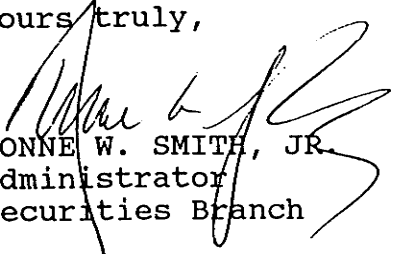
I do not believe it is in the public interest to permit your registration to be reinstated. That we are dealing with an application for reinstatement of registration, not an application in the first instance, in no way is a reflection upon the propriety of this Office's decision to accept your original application. Facts have now come to our attention which cause a review of your suitability for registration.

As I noted earlier various interests must be balanced in making any determination about suitability for registration. I am also very aware that this issue affects your livelihood. However, I believe that the public interest must override that of an individual's, for registration under the Securities Act is a privilege rather than a right. Suitability for registration demands very high standards and deviation from them, no matter how small, is cause for grave concern. This Office has taken regulatory action before against individuals who have deliberately misled this Office and I see no reason not to do so at this time.

During the Hearing you questioned whether there was additional information on file not disclosed to you which influenced my decision. In particular, you questioned whether information from your previous employer, Fortune Financial Group Incorporated, was available to me. I wish to indicate that while I have reviewed your file including your termination letter, this decision here is based solely upon the circumstances acknowledged in the agreed Statements of Facts and the representations made to me at the Hearing. It would be improper for me to do otherwise.

Regretfully, I must advise you that your application for reinstatement as a salesperson under the Securities Act has been denied. As I indicated at the Hearing you have certain rights of appeal under the Securities Act and because time is of the essence, you should take note of these rights immediately. -

Yours truly,



DONNE W. SMITH, JR.
Administrator
Securities Branch

DWS/ch

cc: Edouard O. LeBlanc, Deputy Administrator
Richard Austin, Money Concepts Group Capital Corp.