

BETWEEN:

**Financial and Consumer Services Commission,**

Applicant,

-and-

**Fred Louis Sebastian,**

Respondent.

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**APPLICATION**

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**1. The following relief and remedies are sought by the Applicant:**

An order pursuant to paragraphs 184(1.1)(b) and 184(1.1)(c) of the *Securities Act*, S.N.B. 2004, c. S-5.5 (the "*Securities Act*"), that:

- (a) pursuant to clause (A) of sub-paragraph 184(1)(c)(ii) of the *Securities Act*, the Respondent cease trading in any securities or derivatives permanently, or for such period as is specified by the Tribunal;
- (b) pursuant to paragraph 184(1)(d) of the *Securities Act*, any exemptions contained in New Brunswick securities law do not apply to the Respondent permanently, or for such period as is specified by the Tribunal;
- (c) pursuant to paragraph (h) of sub-section 184(1) of the *Securities Act*, the Respondent resign all positions that he may hold as a director or officer of any issuer, registrant or mutual fund manager; and
- (d) pursuant to paragraph (i) of sub-section 184(1) of the *Securities Act*, the Respondent is prohibited from becoming or acting as a director or officer of any issuer, registrant or mutual fund manager permanently, or for such period as is specified by the Tribunal.

**2. The grounds for this application are:**

- (a) By a written Decision dated 23 July 2015, the Financial and Consumer Affairs Authority of Saskatchewan (the "*Saskatchewan Authority*") found that the Respondent has contravened or failed to comply with the securities laws in that province.

- (b) By an Order issued on 27 August 2015, the Saskatchewan Authority imposed sanctions and restrictions on the Respondent, including a permanent cease-trade order and denial of exemptions.
- (c) The Respondent has been resident in Ludlow, New Brunswick since at least November of 2013.
- (d) In its written Decision, the Saskatchewan Authority found, *inter alia*, that:
  - (i) the Respondent had made exaggerated claims to an elderly investor regarding the potential profit to be made from a particular investment;
  - (ii) the Respondent obtained \$47,000 from the investor without any intention of actually investing the funds on her behalf; and
  - (iii) this conduct constituted a course of action relating to securities that perpetrated a fraud on the investor.
- (e) The Saskatchewan Authority further found that the Respondents had acted as a securities dealer and adviser without registration, and that he had made a prohibited undertaking concerning the future value of a security.
- (f) In addition to the 2015 proceeding described above, the Respondent was subject to a Permanent Order of the Saskatchewan Securities Commission, dated 14 August 1981, that he cease trading in the securities of a particular issuer.
- (g) The finding of fraud by the Saskatchewan Authority, together with the longstanding history of regulatory intervention in Saskatchewan, warrants that the Respondent be subject to market bans in New Brunswick, where he is now resident, so as to prevent him from causing harm to investors in the province.

**3. Evidence upon which Staff of the Commission will rely:**

- (a) The affidavit of Linda Rickard, Case Management Officer, Financial and Consumer Services Commission, sworn the 28<sup>th</sup> day of October 2015; and
- (b) Such further evidence as Staff may adduce and the Tribunal may permit.

DATED at the City of Saint John this 28<sup>th</sup> day of October, 2015.

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