

New  
Nouveau  Brunswick

February 15, 1993

Mr. Gérard Lizotte  
C.P. 2058,  
223 rue Francine  
Beresford, N.B.  
EOB 1H0

Re: Application for Registration as a Salesperson  
under the New Brunswick Securities Act

Dear Mr. Lizotte:

As you requested in your letter to Mr. LeBlanc of February 4, 1993 we met at our Offices in Saint John on Wednesday, February 10, 1993 at 1:45 p.m. This meeting was held in response to my interim decision that your application for registration as a salesperson under the Securities Act not be approved.

At the commencement of our meeting, at which a court reporter was in attendance, I confirmed with you your right to have a lawyer or legal counsel present, as well as have the meeting conducted in the French language. You indicated that you were aware of your rights but would be discussing this matter without counsel and in English.

I indicated that my interim decision as set out in my letter to you of February 2, 1993 was based upon the application and material filed both initially and subsequently by you, especially materials relating to bankruptcies. Having reviewed the application I determined that you were not a suitable candidate for registration as a salesperson.

In your presentation to me you readily admitted lying to Edouard LeBlanc, the Deputy Administrator, during the past several weeks with regard to an ongoing investigation. You confirmed as well your three bankruptcies, their dates and nature. You expressed the wish that you, nevertheless, be granted your registration because you enjoy this type of selling and you feel there is a career for you in the industry.

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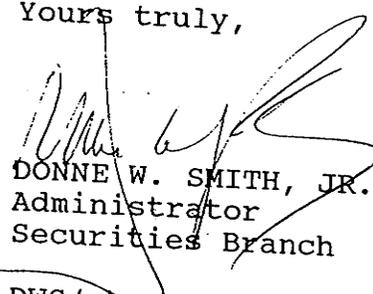
Mr. LeBlanc was also given the opportunity to ask you various questions relating to recent sales activities. You appeared honest in answering them, readily acknowledging the extent of lies you had told since your application was received. Your untruthful statements related to direct distributions of scholarship plans by you to investors when you were not registered to do so. You acknowledged that you have received payment for the sale of approximately 140 units at a net commission of \$30.00 a unit.

Regretfully nothing you said on February 10, 1993 convinced me to overturn my earlier decision not to approve your application. From the perspective of your bankruptcies, while you expressed regret, you were unable to provide me with any explanation why they should not be considered factors in your application with this Office.

The information you provided regarding your recent sales activities, which information was not previously considered by me, also reinforces my earlier decision. While you appeared open about your earlier dishonesties, this alone does not excuse your actions nor persuade me to overlook them.

I must advise you, therefore, that my decision of February 2, 1993 rejecting your application stands. As there may be other appeals you can make under the Securities Act you should act quickly to take advantage of any time restrictions.

Yours truly,



DONNE W. SMITH, JR.  
Administrator  
Securities Branch

DWS/ch

cc: Edouard LeBlanc  
Doreen G. Johnston