

New
Nouveau  Brunswick

IN THE MATTER OF THE SECURITIES ACT OF
NEW BRUNSWICK, BEING CHAPTER S-6, R.S.N.B., 1973

AND

IN THE MATTER OF EDWARD MACDERMAID
("MACDERMAID")

ORDER

(Sec 12(1)(c)(v) and 12(1)(f) of the Act)

WHEREAS the Administrator initiated certain proceedings against Edward MacDermaid ("MACDERMAID") by way of summons dated December 18, 1991 pursuant to section 21(1) of the Securities Act;

AND WHEREAS MACDERMAID and the Deputy Administrator entered into a Settlement Agreement dated February 15, 1992 in which they agreed to a proposed settlement of these proceedings respecting MACDERMAID subject to the approval of the Administrator;

AND WHEREAS MACDERMAID has consented to the issuance of this Order and has waived his right to a full hearing and appeal of this matter;

AND UPON HEARING the submissions of Counsel on behalf of the Deputy Administrator and Edward MacDermaid;

AND UPON the Administrator being of the opinion that it is in the public interest to make this order;


IT IS ORDERED, pursuant to section 12(1)(c)(v) and 12(1)(f) of the Act, that:

1. the Settlement Agreement dated February 15, 1992 attached hereto, as Schedule "A", be and the same is hereby approved;

2. MACDERMAID's registration as a salesman employed by a mutual fund dealer is hereby suspended from June 21, 1992 to July 18, 1992, inclusive; and
3. As a condition of reinstatement of MACDERMAID's registration on or after July 19, 1992, MACDERMAID has agreed to voluntarily donate to the Minister of Finance \$26,450.00 and to pay a further sum of \$1,000. to the Minister of Finance this sum being the total costs and expenses to be recovered pursuant to section 25(2) of the Act. 15,000.00
4. Upon MACDERMAID requesting reinstatement on or after July 19, 1992 and satisfying the Registrar that the above conditions have been met, the Registrar shall so reinstate MACDERMAID's registration.

DATED at the City of *Saint John*
Brunswick, this *15th* day of February, 1992.

Province of New


DONNE W. SMITH, JR.
ADMINISTRATOR,
Securities Branch



SCHEDULE "A"

IN THE MATTER OF THE SECURITIES ACT OF
NEW BRUNSWICK, BEING CHAPTER S-6, R.S.N.B., 1973

AND

IN THE MATTER OF EDWARD MACDERMAID
("MACDERMAID")

SETTLEMENT AGREEMENT

INTRODUCTION

1. The Deputy Administrator agrees to recommend and consents to the within settlement of the proceedings initiated by way of summons dated December 18, 1991, in accordance with the terms and conditions set out hereinafter.
2. Subject to approval of the Administrator, the Deputy Administrator and MACDERMAID agree to an order, pursuant to section 12(1)(c)(v) and 12(1)(f) of the Securities Act, suspending MACDERMAID's registration as a salesman employed by a mutual fund broker from June 21, 1992 to July 18, 1992 inclusive. MACDERMAID hereby agrees to voluntarily donate to the Minister of Finance the sum of \$26,450.00. This figure is the amount of the sales commissions earned by MACDERMAID for selling securities in respect of which he was not registered to sell. MACDERMAID also agrees to pay to the Minister of Finance the sum of \$1,000. which sum represents the total amount to be recovered against MACDERMAID pursuant to section 25(2) of the Act for the costs and expenses incurred during the investigation and proceedings.

STATEMENT OF ADMITTED FACTS


3. A statement of Admitted Facts is annexed as Schedule "A" hereto. MACDERMAID has certified to the Administrator that the facts set out therein are true and correct.


PROCEDURE FOR APPROVAL OF SETTLEMENT

4. The approval of the settlement as set out in this Settlement Agreement shall be sought at the public hearing of the Administrator currently scheduled for February 13, 1992.
5. If, for any reason whatsoever, the settlement is not approved by the Administrator, MACDERMAID will be entitled to seek such remedies as he may have at law with respect to the Hearing and proceedings herein unaffected by this Settlement Agreement or the settlement negotiations. If the settlement is not approved, the terms of the settlement agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of MACDERMAID.
6. MACDERMAID agrees that he will not raise, in any subsequent proceedings, the Settlement Agreement or the process of approval as a basis for any attack on the Administrator's jurisdiction, alleged bias, alleged unfairness or any other challenge that may be available.


I have carefully read this agreement including the attached draft order and have obtained legal advice before signing this agreement.

DATED at *Sant Jork*, this *13* day of February, 1992.


Counsel/Witness


Edward MacDermaid

DATED at *St. John*, this *13th* day of February, 1992.


Counsel / Witness


Deputy Administrator

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STATEMENT OF ADMITTED FACTS

- 1.a) JM Veilleux Income Property Inc. ("JMV") was registered as a securities broker restricted to trading in real estate limited partnership ("RELP") on November 29, 1988. Its registration was renewed annually and has remained in effect until October 3, 1991. It initially operated under the name Veilleux Charlebois & Associes Inc.
- b) Money Concepts Group Capital Corporation ("MCGCC") was registered as a securities broker in New Brunswick on May 2, 1988. Its registration restricted it to trading in mutual funds only. The registration was renewed annually and remains in effect.
- c) ^{an}MACDERMAID was registered as a salesperson with MCGCC on February 28, 1989. His registration restricted him to sales of mutual funds only. It has been renewed annually and remains in effect.

2. MACDERMAID

MACDERMAID, as a registered salesman employed by a mutual fund broker, had a duty to comply with section 6(2) of the Act, section 18 of Regulation 84-128 and conditions attached to his registration. MACDERMAID failed to do so and in particular:

a) MACDERMAID between November 29, 1988 and December 31, 1990 personally traded in RELP's on behalf of JMV when his registration did not permit him to trade in these securities and specifically he was involved in trades of;

-The Longueuil Limited Partnership to:
i) Robert Fitzpatrick iii) John Wellar
ii) Andre Hachey iv) Marie Lou Barry

-The St Jean Limited Partnership to:
i) Mildred Campbell v) Bernard Keating
ii) William Daley vi) Marjorie MacDermaid
iii) Ann Marie Hartford vii) Guy Sorel
iv) Barry Hay

-The Windsor and Company Limited Partnership to:
i) Anne Bujold iii) Donald Lobban
ii) Frank & Melanie Flanagan iv) Paul Barry

-The Hunt Club Limited Partnership to:
i) Paul Arsenault iv) Tim Savage
ii) Robert Bowes v) Olin Gregan
iii) Kevin MacDonald

b) MACDERMAID for his part in the above listed trades received a total of \$26,450.00 in commissions from JMV through Macrob Holdings Inc.

I have read this Statement of Admitted Facts and certify to the Administrator that the facts contained herein are true and correct.

DATED at Saint John this 3rd day of Feb, 1992.


(Witness)


Edward MacDermaid