

# ALBERTA SECURITIES COMMISSION

Citation: Re Fraser, 2019 ABASC 58

Docket: ENF-011883

Date: 20190408

## SETTLEMENT AGREEMENT AND UNDERTAKING

**Gordon Thomson Fraser**

### Agreed Facts

#### *Introduction*

1. Staff of the Alberta Securities Commission (**Staff** and **Commission**, respectively) conducted an investigation into the activities of Gordon Thomson Fraser (**Fraser**) to determine if Alberta securities laws had been breached.
2. The investigation confirmed and Fraser admits that he breached those sections of the *Securities Act*, R.S.A. 2000, c S-4, as amended (**Act**), referred to in this Settlement Agreement and Undertaking (**Agreement**).
3. Solely for securities regulatory purposes in Alberta and elsewhere, and as the basis for the settlement and undertakings referred to in paragraph 16, and for no other use or purpose, Fraser agrees to the facts and consequences set out in this Agreement.
4. Terms used in this Agreement have the same meaning as in the Alberta securities laws, a defined term in the *Act*.

#### *Parties*

5. Fraser is an individual who resided in Red Deer, Alberta throughout the relevant period, being approximately May 2011 to December 2018 (**Relevant Period**). During the Relevant Period, he provided investment advice to and purchased and sold securities for approximately 18 clients. In carrying out at least some of those services, he purported to operate under Fraser Wealth Management Advisory Services, an active trade name that he registered in Alberta on February 8, 2012.

### *Circumstances*

6. On approximately May 24, 2011, Fraser's registration as a Dealing Representative in Alberta was suspended because the Investment Dealer that he was working for terminated his employment. At no time after that was he registered in any capacity in accordance with Alberta securities laws or the securities laws of any other jurisdiction in Canada.
7. Shortly after May 24, 2011, Fraser persuaded approximately 18 of his clients to move their investment accounts from the Investment Dealer that he was previously employed with, or from another Investment Dealer, to a new Investment Dealer. Fraser obtained Authorized Trader status over those new accounts, which enabled him to purchase and sell securities on his clients' behalf.
8. Throughout the Relevant Period, Fraser provided investment advice to and purchased and sold securities for his clients. In exchange for those services, he charged his clients an annual fee of 0.625% on their assets, which was paid on a quarterly basis.
9. During the Relevant Period, Fraser represented to at least some of his clients that he was their investment adviser. Furthermore, the Alberta Corporate Registry System search for the trade name that he operated under—Fraser Wealth Management Advisory Services—stated that its type of business was “investment advice”.
10. None of the exemptions in Part 8 of National Instrument 31-103, *Registrant Requirements, Exemptions and Ongoing Registrant Obligations*, applied to Fraser and his activities described above.

### **Admitted Breaches of Alberta Securities Laws (Admitted Breaches)**

11. Based on the Agreed Facts, Fraser admits that he breached section 75(1)(b) of the *Act* by acting as an adviser without being registered in accordance with Alberta securities laws.

### **Circumstances Relevant to Settlement**

12. Fraser has worked in the investment industry for approximately 26 years, mostly as an investment adviser. He was registered with the Commission as a Dealing Representative and a Salesperson before the Relevant Period.
13. Fraser has not been previously sanctioned by the Commission.
14. Fraser cooperated with Staff during the investigation.
15. This Agreement saved the Commission the time and expense associated with a contested hearing under the *Act*.

## Settlement and Undertakings

16. Based on the Agreed Facts and Admitted Breaches, Fraser agrees and undertakes to the Executive Director of the Commission to:
  - 16.1 pay to the Commission a monetary settlement of \$25,000, plus \$5,000 in costs; and
  - 16.2 be prohibited for a period of 5 years from:
    - 16.2.1 trading in or purchasing securities or derivatives, except trades or purchases made for the sole benefit of one or more of Fraser, his spouse, his brother, his stepmother, his dependent children and DCFraser Family Holdings Inc., provided that any brokerage company used to facilitate such trades or purchases shall first be provided with a copy of this Settlement Agreement and Undertaking;
    - 16.2.2 using any exemptions contained in Alberta securities laws;
    - 16.2.3 becoming or acting as a director or officer of any issuer, with the exception of DCFraser Family Holdings Inc.;
    - 16.2.4 advising in securities or derivatives, except advice provided for the sole benefit of one or more of Fraser, his spouse, his brother, his stepmother, his dependent children and DCFraser Family Holdings Inc.;
    - 16.2.5 becoming or acting as a registrant, investment fund manager or promoter;
    - 16.2.6 acting in a management or consultative capacity in connection with activities in the securities market, except to the extent necessary to facilitate trading in or purchasing securities or derivatives as identified in section 16.2.1 above; and
    - 16.2.7 operating under the trade name Fraser Wealth Management Advisory Services, and, as soon as practicable, Fraser shall arrange to have that trade name removed from the Alberta Corporate Registry System.

## Administration

17. Fraser acknowledges that he received independent legal advice and voluntarily made the admissions and undertakings in this Agreement.
18. Fraser waives any right existing under the *Act*, or otherwise, to a hearing, review, judicial review or appeal of this matter.
19. Fraser acknowledges and agrees that the Commission may enforce this Agreement in the Court of Queen's Bench of Alberta or in any other court of competent jurisdiction.

- 20. Fraser understands and acknowledges that this Agreement may form the basis for securities-related orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow for provisions of a settlement agreement made in this matter to be given parallel effect in those other jurisdictions automatically, without further notice to Fraser. Fraser understands and acknowledges that he should contact the securities regulator of any other jurisdiction in which he may intend to engage in any securities-related activities.
- 21. Execution and fulfillment of the terms of this Agreement by Fraser resolves all issues involving Fraser related to the conduct described above, and Staff will take no further steps against Fraser arising from those facts.
- 22. This Agreement may be executed in counterpart.

Signed by Gordon Thomson Fraser at Red )  
 Deer, Alberta this 21 day of March, 2019, )  
 in the presence of: )

Bond Jewell )  
 WITNESS NAME )

"Original signed by" )  
 SIGNATURE )

"Original signed by" )  
 Gordon Thomson Fraser )

) ALBERTA SECURITIES COMMISSION  
 )

Calgary, Alberta, April 8, 2019 )

) "Original signed by" )  
 ) David C. Linder, Q.C. )  
 ) Executive Director )