

ALBERTA SECURITIES COMMISSION

Citation: Re Felgate, 2019 ABASC 129

Docket: ENF-011473

Date: 20190819

NOTICE OF HEARING

To: Nicholas John Felgate (**Respondent**)

Notice: The Alberta Securities Commission (the **Commission**) will convene at 2:00 p.m. on Thursday, August 29, 2019, or as otherwise directed (the **Set Date Hearing**), at Calgary, Alberta, to set a date or dates for the conduct of a hearing regarding the allegations in this Notice (the **Merits Hearing**). At the Merits Hearing, the Commission will consider whether the allegations have been proven. If so, the Commission will subsequently consider whether it is in the public interest to make orders against you under sections 198, 199, and 202 of the *Securities Act*, RSA 2000, c. S-4, as amended (the **Act**).

Location: Alberta Securities Commission, 5th Floor, 250 – 5 Street SW, Calgary, Alberta.

Procedure:

1. You may obtain document disclosure and further information about particulars of the allegations in this Notice from Colin Schulhauser, c/o Alberta Securities Commission, 600, 250 - 5 Street SW, Calgary, Alberta, T2P 0R4, telephone: 403.355.4863, email: colin.schulhauser@asc.ca.
2. You may be represented by legal counsel or represent yourself. You or your legal counsel may make representations at the Set Date Hearing as part of the process for scheduling the Merits Hearing and the hearing management sessions that will take place between the Set Date Hearing and the Merits Hearing. At the Merits Hearing, you or your legal counsel may make representations and introduce relevant evidence regarding the allegations in this Notice.
3. If you or your legal counsel fail to attend the Set Date Hearing, the scheduling of the Merits Hearing and the hearing management sessions may proceed in your absence without further notice, and the Merits Hearing itself may proceed in your absence without further notice, following which orders may be made against you.

See attached sections 29, 198, 199, and 202 of the Act, and Commission Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.

Reciprocation: Take notice that orders or settlements made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Notice, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

Allegations:

Parties

1. Nicholas John Felgate (**Felgate**) is an individual resident in the Municipal District of Rocky View, Alberta.

Circumstances

2. On March 2, 2018, a panel of the Commission issued an Interim Cease Trade Order (the **ICTO**) ordering that: (a) Felgate cease trading in all securities; and (b) all exemptions contained in Alberta securities laws do not apply to Felgate.
3. The ICTO took effect immediately. According to its terms, and pursuant to section 33(2) of the *Act*, the ICTO would expire in 15 days unless extended by the Commission.
4. The ICTO was personally served on Felgate on March 8, 2018.
5. On March 16, 2018, a panel of the Commission issued an order extending the ICTO until July 31, 2018 (the **Extension Order**).
6. The Extension Order was granted following a hearing before the panel at which Felgate was represented by counsel, and was served on Felgate via electronic mail.
7. Following another hearing on July 11, 2018, at which Felgate was represented by counsel, a panel of the Commission issued an order extending the ICTO until any proceeding initiated pursuant to the *Act*, including a trial in respect of an offence, is finally determined or otherwise concluded (the **Further Extension Order**).
8. The Further Extension Order was personally served on Felgate on July 16, 2018.
9. On or about May 29, 2019, Felgate traded securities described as “Lender/Loan Personal Non Securities Related Agreement Promissory Notes” (the **Promissory Notes**) to at least two investors.
10. The Promissory Notes are “securities” as that term is defined in the *Act*, and the trades of the Promissory Notes violated the ICTO as extended by the Further Extension Order.

11. Felgate knew, or ought to have known, that the ICTO banned him from trading in any securities.

Breaches

12. As a result of the above, Staff allege that Felgate breached section 93.1 of the *Act* by failing to comply with a decision of the Commission made under Alberta securities laws.

Calgary, Alberta, 19 August, 2019.

) ALBERTA SECURITIES COMMISSION

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) *“Original signed by”*

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Tom Graham

) Acting Executive Director