

THE SECURITIES ACT

)

Order No. 2881

)

Section 8(1)

)

April 20, 2000

DENNIS WAYNE GAMBLE

WHEREAS:

(A) On February 29th, 2000, The Manitoba Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice") giving notice of its intention to hold a hearing (the "Hearing") to consider, inter alia, whether or not it was in the public interest to suspend or cancel the registration of Dennis Wayne Gamble ("Gamble") as a salesman under The Securities Act (the "Act");

(B) Staff of the Commission and the respondent entered into a Settlement Agreement (a copy of which is attached as Schedule "A") dated April 17th, 2000 (the "Settlement Agreement"), which proposed settlement of the proceedings initiated by the Notice, subject to the approval of the Commission;

(C) The respondent has consented to the issuance of this Order and has waived his respective rights to a full hearing;

(D) The Commission has reviewed the Settlement Agreement and is of the opinion that it is in the public interest to make this Order.

IT IS ORDERED:

1. THAT the Settlement Agreement, Schedule "A", be and the same is hereby approved.
2. THAT Gamble enroll in and successfully complete the Canadian Securities Institute Conduct & Practices Handbook Course within 6 months of the date of this order.
3. THAT Gamble's conduct and practices as a salesman registered under the Act be closely supervised by an individual acceptable to the Director, Registrations of the Commission on such terms as are deemed appropriate by the Director for a period of 6 months from the date of this order.
4. THAT Gamble make a one time payment to the Treasury of the Province of Manitoba of \$5,000.00, to be paid in two equal instalments of \$2,500.00 each, the first of which shall be made on or before April 30, 2000 and the second of which shall be made on or before June 30, 2000.
5. THAT Gamble pay to the Commission costs in the amount of \$1,000.00 to be paid on or before June 30, 2000.

BY ORDER OF THE COMMISSION

Director, Legal and Enforcement

Settlement Agreement

Dennis Wayne Gamble

and

The Staff of The Manitoba Securities Commission

The Manitoba Securities Commission
1130 - 405 Broadway
Winnipeg, Manitoba
R3C 3L6

SETTLEMENT AGREEMENT

A. Introduction

A1. On February 29, 2000, The Manitoba Securities Commission (the "Commission") issued a notice of hearing (the "Notice of Hearing") giving notice of its intention to hold a hearing under The Securities Act (the "Act") to consider:

1. whether or not it is in the public interest to order, pursuant to subsection 8(1) of The Securities Act (the "Act"), that the registration of Dennis Wayne Gamble ("Gamble") as a salesman under the Act be suspended or cancelled;
2. whether or not it is in the public interest to order that Gamble pay the costs of the investigation and hearing;
3. such further and other matters and the making of such further and other orders as the Commission may deem appropriate.

A2. Discussions have been held between the respondent and staff of the Commission ("Staff") in an effort to settle the matters set out in the Notice of Hearing and Statement of Allegations (the "Proceedings"). A settlement (the "Settlement") has been reached based on the terms and conditions set forth in the herein agreement (the "Settlement Agreement").

A3. Pursuant to the Settlement, Staff agrees to recommend to the Commission that the Proceedings initiated against the respondent be resolved and disposed of in accordance with the terms and conditions of this Settlement Agreement as set forth below. The respondent consents to the Settlement and to the making of the consent order referred to in paragraph D. below, on the terms and conditions set forth in this Settlement Agreement.

B. Statement of Facts

B1. Gamble has been registered as a salesman under the Act from February 18, 1997 to present with Rice Financial Group Inc. ("Rice").

B2. At all material times, Rice was registered under the Act as a Broker-Dealer whose authorized trading officials and registered sales personnel were, among other things, registered to trade in mutual funds qualified for distribution in Manitoba by way of a prospectus for which a current receipt had been issued by the Commission.

B3. Katherine Danilovs ("Danilovs") was a resident of Winnipeg, Manitoba, born on December 17, 1915.

B4. Gamble was first registered under the Act as a salesman on February 18, 1997. Prior to being registered, Gamble had acted for Danilovs for a number of years in the preparation of her tax returns. After his registration, Gamble prepared her 1997 tax return.

B5. For his part, Gamble states that he also had a personal relationship with Danilovs since the early 1980's and from time to time provided her with care and assistance with daily tasks and errands.

B6. In 1997, at the age of 81 years, Danilovs also became a client of Gamble's in his capacity as a mutual funds salesman.

B7. On or about June 17, 1997, Danilovs purchased four mutual funds with Gamble as her representative and for which he received commissions.

B8. Prior to his registration under the Act, Gamble had borrowed \$90,000.00 from Danilovs in three separate increments each in the amount of \$30,000.00. The borrowed funds were documented by loan agreements which began in 1993 and 1994 and which were renewed for consecutive periods continuing beyond the time of his registration under the Act.

B9. The particulars of the loans briefly identified above are as follows:

<u>Date Borrowed</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Due Date /Term</u>	<u>Monthly Payments</u>
January 21, 1993	\$30,000.00	10%	36 month	\$250.00
June 2, 1996	\$30,000.00	10%	36 month	\$250.00

June 2, 1993	\$30,000.00	7.2%	12 month	\$180.00
June 2, 1994	\$30,000.00	8%	12 month	\$200.00
June 2, 1995	\$30,000.00	8%	12 month	\$200.00
June 2, 1996	\$30,000.00	8%	12 month	\$200.00
June 2, 1997	\$30,000.00	8%	12 month	\$200.00

March 20, 1994	\$30,000.00	6.5%	12 month	\$162.50
March 20, 1995	\$30,000.00	8%	12 month	\$200.00
March 20, 1996	\$30,000.00	8%	12 month	\$200.00
March 20, 1997	\$30,000.00	8%	12 month	\$200.00

(collectively referred to as the "Loans").

B10. The term of each of the Loans was such that the Loans remained in effect following Gamble's registration with Rice, with 2 of the renewal agreements having been executed on June 2, 1997 and March 20, 1997, following his registration.

B11. The Loans provided that in the event of the death of the lender, Danilovs, the interest payments would terminate and the principal would not be required to be forwarded to her estate. It was a term of the Loans that the provision of repayment of any principal was to become null and void upon her death.

B12. On August 30, 1998, Danilovs passed away. On April 22, 1998, Danilovs had made a will. The Will made no mention of Gamble as a beneficiary or otherwise nor was there any mention of the Loans and/or forgiveness of payment.

B13. No portion of the principal amounts of the Loans outstanding at the time of Danilovs's demise were forwarded by Gamble to her estate.

B14. Gamble did not advise his employer Rice of the Loans. For his part, Gamble states that he was not specifically aware of the requirement to do so.

C. Acknowledgements

C1. Gamble acknowledges and agrees that he:

- (a) failed to avoid personal financial dealings with his client Danilovs, in particular by borrowing money from his client for his own personal use;
- (b) failed to disclose the Loans to his firm, Rice.

D. Terms of Settlement

D1. In order to effect a resolution of the issues raised by the Notice of Hearing, Staff and the respondent have entered into this Settlement Agreement. Upon this basis, Staff seek an order (the "Consent Order") from the Commission pursuant to subsection 8(1) of the Act that:

- (a) the Settlement Agreement be approved;
- (b) Gamble make a one time payment to the Treasury of the Province of Manitoba of \$5,000.00, to be paid in two equal instalments of \$2,500.00 each, the first of which shall be made on or before April 30, 2000 and the second of which shall be made on or before June 30, 2000;
- (c) Gamble pay to the Commission costs in the amount of \$1,000.00 to be paid on or before June 30, 2000;
- (d) Gamble enroll in and successfully complete the Canadian Securities Institute Conduct & Practices Handbook Course within 6 months of the date of the order;
- (e) Gamble's conduct and practices as a salesman registered under the Act be closely supervised by an individual acceptable to the Director, Registrations of the Commission on such terms as are deemed appropriate by the Director for a period of 6 months from the date of the order.

E. Procedure for Approval of Settlement

E1. The approval of this Settlement Agreement and the making of the Consent Order set out in this Settlement Agreement shall be sought at a public hearing pursuant to the Notice of Hearing.

E2. Staff and the respondent agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted to the Commission in connection with the Proceedings and the respondent hereby waives his right to a full hearing and appeal of this matter.

E3. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the Consent Order referred to in paragraph D. above is not made by the Commission, Staff will be entitled to proceed with the hearing commenced by the Notice of Hearing unaffected by this Settlement Agreement or the settlement discussions. If this Settlement Agreement is not approved or the Consent Order set out in paragraph D. above is not made by the Commission, the terms of this Settlement Agreement will not be raised in the Proceedings or in any other proceeding.

E4. Staff and the respondent agree that if this Settlement Agreement is approved by the Commission and the Consent Order made upon the terms set out in this Settlement Agreement, this Settlement Agreement will be a public document.

E5. The respondent agrees that he will not raise in any proceeding this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as a basis for an attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other challenge that may be available.

DATED at Winnipeg, Manitoba, this day of April, 2000.

Witness

Dennis Wayne Gamble

DATED at Winnipeg, Manitoba, this day of April, 2000.

Staff of the Manitoba Securities Commission
per:
Director, Legal and Enforcement