

**THE COMMODITY FUTURES
ACT**

)

Order No. 4392

)

Section 27(1)

)

February 13, 2004

GEORGE HOLLO

WHEREAS:

(A) On February 6, 2004, The Manitoba Securities Commission ("Commission") issued a Notice of Hearing ("Notice") giving notice of its intention to hold a hearing to consider, inter alia, whether or not it was in the public interest to grant an order pursuant to subsection 27(1) of The Commodity Futures ("Act") with respect to George Hollo ("Hollo");

(B) Staff of the Commission and Hollo entered into a Settlement Agreement (a copy of which is attached as Schedule "A") dated February 6, 2004 ("Settlement Agreement"), which proposed settlement of the proceedings initiated by the Notice, subject to the approval of the Commission;

(C) Hollo has consented to the issuance of this Order and has waived his right to a full hearing;

(D) On February 11, 2004, the Commission held a hearing ("Settlement Hearing") to consider whether or not to approve the Settlement Agreement;

(E) At the Settlement Hearing the Commission approved 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**, pursuant to subsection 27(1) of the Act a reprimand be place in Hollo's registration file.
3. **THAT** Hollo pay to the Commission as a contribution to costs the amount of \$500.00 forthwith.

BY ORDER OF THE COMMISSION

Director, Legal and Enforcement

Settlement Agreement

George Hollo

and

The Staff of The Manitoba Securities Commission

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

SETTLEMENT AGREEMENT

A. Introduction

A1. The Director-Registrations of The Manitoba Securities Commission (the "Commission") intends on issuing a notice of hearing (the "Notice of Hearing") giving notice of the intention of the Commission to hold a hearing pursuant to Section 27(1) of The Commodity Futures Act (the "Act") to consider Hollo's continued fitness for registration under the Act.

A2. Discussions have been held between the respondent and staff of the Commission ("Staff") in an effort to settle the matters to be set out in the Notice of Hearing (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. George Hollo ("Hollo") was first registered under The Securities Act commencing in January, 1986 and has more or less been continually registered with the Commission since that date.

B2. At all material times Hollo was registered as a salesperson under the Act.

B3. The Bourse de Montréal (the "Bourse") is a self-regulatory organization responsible for the registration of Mr. Hollo and his dealer in the Province of Quebec.

B4. On or about June 5, 2001 the Bourse imposed a condition on Hollo's registration to trade in securities that he complete the Professional Financial Planning Course and the Investment Management Techniques Course on or before December 5, 2003.

B5. As Hollo had not completed the course requirements at the required time the Bourse suspended Hollo's registration to trade securities on December 5, 2003. The Bourse did not suspend Hollo's registration as a registered futures contract and futures option representative.

B6. As a result of the action taken by the Bourse the Commission suspended Hollo's registration as a salesperson under The Securities Act. Hollo continued to be registered as a salesperson under the Act.

B7. On January 6, 2004 Hollo was asked by his dealer to come to work early as another employee was away sick. Hollo received two telephone calls from clients requesting trades in securities that were outside his registration under the Act. Hollo executed these trades on behalf of these Manitoba clients instead of referring the clients to a salesperson registered under The Securities Act.

B8. Hollo's employment with his dealer was terminated on January 12, 2004 as a result of Hollo having conducted the trades.

C. Acknowledgements

C1. Hollo acknowledges that he traded in securities without having been registered contrary to Section 6 of The Securities Act and that such conduct is contrary to the public interest.

C2. Hollo acknowledges that the trades were an isolated occurrence and that no other trades were conducted outside of the terms of Hollo's registration.

D. Terms of Settlement

D1. In order to effect a resolution of the issues raised, Staff and the Respondent have entered into this Settlement Agreement. Upon this basis, Staff seek an order (the "Consent Order") from the Commission that:

1. The Settlement Agreement be approved;

1. Pursuant to Section 27(1) of the Commodity Futures Act that a reprimand be placed in Hollo's registration file;

2. Hollo pay costs to the Commission in the amount of \$500.00.

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 is 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.

E6. The respondent further agrees that if this Settlement Agreement is approved by the Commission and the Consent Order is made upon the terms set out in this Settlement Agreement, the respondent will not make any statements inconsistent with the terms of this Settlement Agreement.

DATED at Winnipeg, Manitoba, this day of , 2004.

Witness

"George Hollo"
George Hollo

DATED at Winnipeg, Manitoba, this 6 day of February, 2004.

Staff of the Manitoba Securities Commission
per: "Douglas R. Brown"
Director, Legal and Enforcement