

THE SECURITIES ACT

)

Order No. 3207

)

Section 19(5)

)

January 10, 2001

CHRISTIAN STIER

WHEREAS:

(A) On November 10, 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 whether or not it was in the public interest to grant an order pursuant to subsection 19(5) of *The Securities Act* (the "Act") with respect to Christian Stier ("Stier");

(B) Staff of the Commission and Stier entered into a Settlement Agreement (a copy of which is attached as Schedule "A") dated January 8th, 2001 (the "Settlement Agreement"), which proposed settlement of the proceedings initiated by the Notice, subject to the approval of the Commission;

(C) Stier has consented to the issuance of this Order and has waived his right 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** pursuant to subsection 19(5) of the Act:

(a) subsections 19(1) and 19(3) of the Act do not, with respect to such of the trades referred to in those sections, apply to Stier; and

(b) subsection 19(2) of the Act does not, with respect to such securities referred to in that section, apply to Stier;

for a period of twenty years from the date of this Order.

BY ORDER OF THE COMMISSION

Director, Legal and Enforcement

Settlement Agreement

Christian Stier

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 November 10th, 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 19(5) of *The Securities Act* (the "Act") that:
 - (a) subsections 19(1) and 19(3) of the Act do not, with respect to such of the trades referred to in those sections, apply to Christian Stier ("Stier");
 - (b) subsection 19(2) of the Act does not, with respect to such of the securities referred to in that section, apply to Stier;
2. whether or not it is in the public interest to order that Stier pay the costs of the investigation and the 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 Stier and staff of the Commission ("Staff") in an effort to settle the matters set out in the Notice of Hearing (the "Proceedings"). Stier has been advised of his right to counsel and has waived that right. A settlement (the "Settlement") has been reached based on the terms and conditions set forth in this agreement (the "Settlement Agreement").

A3 Pursuant to the Settlement, Staff agrees to recommend to the Commission that the Proceedings initiated against Stier be resolved and disposed of in accordance with the terms and conditions of this Settlement Agreement as set forth below. Stier consents to the Settlement and to the making of the consent order referred to in subparagraph D1 below, on the terms and conditions set forth in this Settlement Agreement.

B Statement of Facts

B1 At all material times Stier was a resident of Winnipeg, Manitoba.

B2. At all material times Stier was not registered as a salesman or registered in any capacity to trade in securities in Manitoba under *The Securities Act* of Manitoba ("the Act").

B3. Client A, at all material times, had two financial advisers. One was Gary Weston ("Weston") through whom Client A purchased mutual funds and the other was Stier through whom she purchased insurance funds.

B4. Weston was employed with Manulife Securities ("Manulife") at all material times.

B5. Stier was employed with Merit Insurance ("Merit") and Stier dealt with Maritime Life Assurance Company ("Maritime Life") at all material times.

B6. Weston managed Client A's Global Strategy Investment Funds mutual fund and her AGF Fund Inc. mutual fund at all material times. These are not segregated mutual funds.

B7. On Friday, September 4, 1998 at approximately 10:00 a.m., Stier attended Client A's residence to discuss her investments. Client A had told Stier on the telephone prior to their meeting that the securities Weston was managing would stay with Weston and that the investments she had with Stier would go into a registered Retirement Income Fund ("RIF") with Maritime Life.

B8. At no time was Client A aware that Stier would be transferring any of her other accounts to Maritime Life. At no time did Client A knowingly request or authorize Stier to transfer any of her other accounts to Maritime Life. Specifically, at no time did Client A knowingly request or authorize Stier to redeem or transfer her Global Strategy Investment Funds mutual fund or her AGF Fund Inc. mutual fund.

B9. At the September 4, 1998 meeting Client A thought she was signing a RIF and several authorization forms to transfer Maritime Life funds to a Maritime Life RIF. Stier never told Client A what the forms were or why he needed her signature.

B10. Stier had Client A provide her signature on four Maritime Life "Transfer Authorization for Registered Investments" forms ("form(s)") all of which are signed by Client A and dated September 8, 1998. One form authorizes the transfer in cash from Client A's Global Strategy Investment Funds to her Maritime Life RIF. The second form authorizes a transfer in cash from Client A's Global Strategy Investment Funds to her Maritime Life RIF. The third form authorizes

the transfer in cash from Client A's AGF Fund Inc. to her Maritime Life RIF. The final form authorizes a transfer in cash from Client A's Maritime Life, guaranteed term only, to her Maritime Life RIF.

B11. On September 4, 1998, Client A signed a Maritime Life one page policy owner investment authorization dated September 4, 1998 authorizing Stier to: (1.) transfer between segregated funds; and (2.) do internal transfers between existing Maritime Life deferred annuities only. These two types of transfers did not require Client A's written or verbal confirmation when Stier acted on her behalf.

B12. On September 9, 1998 Client A's AGF Fund Inc. mutual fund was redeemed in the amount of \$13,958.29. This amount was then transferred by Stier to Client A's Maritime Life RIF account without his client's knowledge and consent.

B13. On September 9, 1998 Client A's Global Strategy Investment Funds mutual fund account was redeemed in the amount of \$2,181.39. This amount was then transferred by Stier to Client A's Maritime Life RIF account without his client's knowledge and consent.

B14. On September 10 and 11, 1998 Maritime Life recorded the deposits into Client A's Maritime Life RIF account. Stier is noted as the agent and Maritime Insurance is noted as the agency that made the deposits.

B15. In September of 1998, Weston received notices that the AGF Fund Inc. and the Global Strategy Investment Funds mutual funds he managed for Client A had been redeemed. Weston telephoned both fund companies and was advised that the funds had indeed been redeemed and a cheque for the net redemption values had been sent to Maritime Life.

B16. Weston contacted Client A to question her with respect to the redemptions and he learned that she had no idea about the AGF Fund Inc. and the Global Strategy Investment Funds mutual fund redemptions. Client A advised Weston she thought she had given Stier the authorization to transfer a Maritime Life Registered Retirement Savings Plan ("RRSP") to a RIF.

B17. On October 15, 1998, Maritime Life agreed to reverse the transfers to Client A's Maritime Life RIF and return the \$2,181.39 to the Global Strategies Investment Funds mutual fund account and the \$13,958.29 to AGF Fund Inc. mutual fund account. Stier agreed to cover the costs associated with the reversals.

C Acknowledgments by Stier

C1 Stier acknowledges and agrees that he:

(a) traded in a security, a Global Strategy Investment Funds mutual fund, without registration to do so, contrary to section 6 of the Act.

(b) traded in a security, an AGF Fund Inc. mutual fund, without registration to do so, contrary to section 6 of the Act.

(c) Stier redeemed securities, namely AGF Fund Inc. mutual fund and Global Strategy Investment Funds mutual fund, without the knowledge and consent of his client, Client A.

D Terms of Settlement

D1 In order to effect a resolution of the issues raised by the Notice of Hearing, Staff and Stier have entered into this Settlement Agreement. Upon this basis, Staff seek an order (the "Consent Order") from the Commission consistent with the terms contained in section E of this Settlement Agreement, pursuant to subsection 19(5) of the Act.

D2 The Consent Order sought by Staff is as follows:

Pursuant to subsection 19(5) of *The Securities Act* (the "Act") that:

(a) subsections 19(1) and 19(3) of the Act do not, with respect to such of the trades referred to in those sections, apply to Christian Stier ("Stier");

(b) subsection 19(2) of the Act does not, with respect to such of the securities referred to in that section, apply to Stier;

for a period of twenty years from the date of the order.

D3 The claim for costs as raised by the Notice of Hearing is abandoned and no order for costs is sought.

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 Stier 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 Stier 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 subparagraph D1 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 subparagraph D1 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 Stier 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 Stier 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 "8th" day of January, 2001.

Witness

Christian Stier

DATED at Winnipeg, Manitoba, this "8th" day of January, 2001.

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