

THE SECURITIES ACT)
)
 Subsection 19(5) and)
 Section 154)

Order No. 7614

March 28, 2023

DENNIS MALTHOUSE

WHEREAS:

(A) On January 13, 2023, 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 19(5) of The Securities Act ("Act") with respect to Dennis Malthouse ("MALTHOUSE").

(B) Staff of the Commission and MALTHOUSE entered into a Settlement Agreement (a copy of which is attached as Schedule "A") dated March 27, 2023, ("Settlement Agreement") which proposed settlement of the proceedings initiated by the Notice, subject to the approval of the Commission.

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

(D) On March 28, 2023, 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 19(5) of the Act:
 - (a) Subsection 19(1) of the Act does not, with respect to such of the trades referred to in this subsection, apply to Malthouse; and
 - (b) Subsection 19(2) of the Act does not, with respect to such securities referred to in that section, apply to Malthouse.
3. **THAT**, pursuant to Section 154 of The Act Malthouse pay to the Commission costs in the amount of \$2,000.00 upon Commission approval of this Settlement Agreement.

BY ORDER OF THE COMMISSION


Chris Besko, Director

SCHEDULE "A"

SETTLEMENT AGREEMENT

BETWEEN:

DENNIS MALTHOUSE

And

STAFF OF THE MANITOBA SECURITIES COMMISSION

**The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, MB R3C 4K5**

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: DENNIS MALTHOUSE

SETTLEMENT AGREEMENT

A.1 By way of Notice of Hearing and Statement of Allegations (collectively the "Notice of Hearing") of Staff of The Manitoba Securities Commission ("Commission"), notice was given to Dennis Malthouse ("Malthouse") to consider:

1. whether or not it is in the public interest to order, pursuant to subsection 148.1(1) of *The Securities Act* (the "Act"), that Malthouse pay an administrative penalty;
2. whether or not it is in the public interest to order, pursuant to subsection 19(5) of the Act that subsection 19(1) of the Act does not apply to Malthouse with respect to such of the trades referred to in that subsection and that subsection 19(2) of the Act does not apply to Malthouse with respect to such of the securities referred to in that subsection;
3. whether or not pursuant to section 148.2 of the Act, that Malthouse be ordered to pay compensation for financial loss;
4. whether or not it is in the public interest to order that Malthouse pay the costs of the investigation and the hearing;

A.2 Discussions have been held amongst Malthouse and Staff of the Commission ("Staff") in an effort to settle all issues in connection with the matters set out in the Notice of Hearing (the "Proceedings") and this Agreement. A

Handwritten signature and initials, possibly "D.M.F.", in the bottom right corner of the page.

Settlement (the "Settlement") has been reached based on the terms and conditions set forth in this Agreement (the "Settlement Agreement").

A.3 Pursuant to the Settlement, Staff agrees to recommend to the Commission that the Proceedings initiated against Malthouse be resolved. Malthouse consents to the Settlement and to the making of the Consent Order referred to in paragraph E.1 below, on terms and conditions set forth in this Settlement Agreement.

B. STATEMENT OF FACTS

B.1 At all material times, Dennis Malthouse ("Malthouse") was a resident in the City of Winnipeg, in the Province of Manitoba.

B.2 At all material times, Malthouse was not registered to trade in securities under *The Securities Act* of Manitoba.

B.3 In 2014, D.T. and Malthouse worked in the same building and knew each other casually.

B.4 In or about January 2014, Malthouse and D.T. had conversations where Malthouse told D.T. that he was managing money for his sister and was doing well.

B.5 Relying on the representations of Malthouse, D.T. agreed to invest money with him.

B.6 On January 18, 2014, D.T. provided, at Malthouse's direction, a Bank draft for \$50,000.00 payable to Malthouse Auto. D.T. understood these monies would be invested by Malthouse in mortgages and loans.



B.7 On February 10, 2014, D.T., at Malthouse's direction, wrote a cheque payable to Malthouse Auto for \$10,000.00 and also understood these monies would be invested by Malthouse in mortgages and loans.

B.8 On February 24, 2014, D.T., at Malthouse's direction, wrote a cheque payable to Malthouse Auto for \$20,000.00 and understood these monies would be invested by Malthouse in mortgages and loans.

B.9 On February 20, 2014, Malthouse provided D.T. a cheque for \$416.67. A notation on the cheque said "Interest on \$50,000 at 10% a year".

B.10 In total, Malthouse made payments of \$9,333.34 to D.T. during 2014.

B.11 Malthouse has advised Commission Staff he used D.T.'s funds for a real estate venture and that the real estate venture was no longer a going concern.

B.12 The Director of The Manitoba Securities Commission received a claim for compensation for financial loss from D.T.

B.13 Malthouse has reached a resolution with D.T. with respect to her claim for financial loss filed with the Director. D.T. has confirmed in writing to Commission Staff that she has withdrawn her financial loss claim. As such, Commission Staff will not be requesting an order for compensation for financial loss to be paid by Malthouse to D.T.

C. ACKNOWLEDGMENT BY MALTHOUSE

Malthouse acknowledges that he acted contrary to the public interest in that he traded in securities without being registered to do so.

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D. MITIGATING FACTORS

- D.1 Malthouse was cooperative with Commission Staff's investigation of matters referred to in this Settlement Agreement.
- D.2 Malthouse has not had enforcement action taken against him by Commission Staff prior to matters referred to in this Settlement Agreement.

E. TERMS OF SETTLEMENT

E.1 Staff seek a Consent Order from the Commission consistent with the terms contained in Section E.2 of the Settlement Agreement pursuant to the provisions of the Act.

E.2 The Consent Order sought by Staff is as follows:

- a) That the Settlement Agreement be approved;
- b) Pursuant to subsection 19(5) of the Act:
 - 1) Subsection 19(1) of the Act does not, with respect to such of the trades referred to in this subsection, apply to Malthouse;
 - 2) Subsection 19(2) of the Act does not, with respect to such securities referred to in that section, apply to Malthouse; and
 - 3) That Malthouse pay to the Commission costs in the amount of \$2,000.00 upon Commission approval of this Settlement Agreement.



F. PROCEDURE

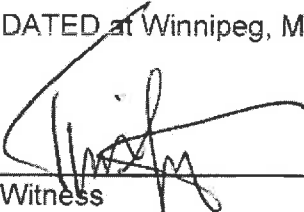
- F.1 The approval of this Settlement Agreement shall be sought at a public hearing.
- F.2 If this Settlement Agreement is approved by the Commission, and if a Consent Order issues in accordance with this Settlement Agreement, this Settlement Agreement will constitute the entirety of the evidence to be submitted to the Commission in connection with the Proceedings and, upon the making of the Consent Order contemplated by this Settlement Agreement, Malthouse waives his right to a full hearing and appeal of this matter.
- F.3 Notwithstanding any other provision of this Settlement Agreement, if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the Consent Order referred to Section ^{FE CB} ~~D~~ above is not made by the Commission, Staff will be entitled to proceed with whatever steps it is entitled by law to take, including but not restricted to, the commencement of a hearing before the Commission, unaffected by this Settlement Agreement or the settlement discussions. In the event that such steps are taken, Malthouse shall have all of the usual rights of a person subject to such proceedings.
- F.4 If the Settlement Agreement is not approved or the Consent Order set out in Section ^{FE CB} ~~D~~ above is not made by the Commission, the terms of this Settlement Agreement shall remain confidential and shall not be raised in this or any other proceeding, and any admissions contained in this Settlement agreement shall be considered as without prejudice

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communications and furtherance of settlement discussions which will not be binding upon the parties and which will be inadmissible in any proceeding whatsoever.

- F.5 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.
- F.6 Malthouse 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, Malthouse will not raise as a basis for attack on the Order this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement, alleged bias, alleged unfairness, or any such other challenges to the validity of the Consent Order.
- F.7 Malthouse 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, he will not make any statements inconsistent with the terms of this Agreement.

DATED at Winnipeg, Manitoba this 27th day of March, 2023.



 Witness



 Dennis Malthouse

DATED at Winnipeg, Manitoba this 27th day of March, 2023.

Staff of The Manitoba Securities Commission

Per: 

 Chris Besko, Director