

**IN THE MATTER OF  
THE SECURITIES ACT  
R.S.O. 1990, c. S.5, AS AMENDED**

**AND**

**IN THE MATTER OF  
WAYNE S. UMETSU**

Hearing: September 10, 2001

Panel:	Howard I. Wetston, Q.C.	-	Vice-Chair
	M. Theresa McLeod	-	Commissioner
	H. Lorne Morphy, Q.C.	-	Commissioner

Counsel:	Not Represented by Counsel	-	Wayne S. Umetsu
	Tracy Pratt	-	For the Staff of the Ontario Securities Commission

**REASONS FOR DECISION**

These are the Reasons for Decision of the Commission delivered orally on Monday September 10, 2001 with respect to a settlement agreement between the staff of the OSC and Mr. Umetsu.

The panel is unanimous in its agreement that we are unable to approve the settlement agreement. We are not satisfied that this settlement agreement is in the public interest. That is not to say that this panel or another panel will not approve another settlement agreement. However, we are not satisfied that this settlement agreement is in the public interest.

In our opinion, the facts are insufficient for us to exercise our discretion under 127 of the Ontario Securities Act to approve the settlement agreement. Basically, there are too many unanswered questions for us to approve this settlement agreement in the public interest.

We do not know what is happening with respect to any proceedings outside of this matter. We do not know why staff of the Commission has not proceeded with a prosecution under the Provincial Offences Act R.S.O. 1990. We are dissatisfied with the fact that there is an admission of a misappropriation of money and we do not have a sufficient explanation as to how that misappropriation has been captured, in the public interest, within the terms of the settlement agreement.

In addition, we might add that we are surprised that the settlement agreement does allow Mr. Umetsu to continue trading on his own account, particularly given the fact that he was holding himself out as being registered when he was not and he misappropriated money.

We recognize that, in part, a settlement agreement has been entered into to avoid the necessity of having a hearing. On the other hand if a hearing is what is required, then so be it. This panel or another panel would be convened to hold a hearing into this matter.

The panel is also aware of the fact that another settlement agreement may be entered into between the parties, i.e. between staff and Mr. Umetsu. We leave that to both of you.

In conclusion we are not satisfied that the terms of the settlement agreement are in the public interest.

Therefore, this settlement agreement is not approved.

September 10, 2001.

"Howard I. Wetston"

"M. Theresa McLeod"

"H. Lorne Morphy"