

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

- AND -

**IN THE MATTER OF
BRIAN K. COSTELLO**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on January 9, 2002, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act* (the Act) in respect of Brian K. Costello;

AND WHEREAS on November 11-15, 18-20, 28, December 6 and 9, 2002, and March 31, 2003, the Commission conducted a hearing into Costello's conduct;

AND WHEREAS the Commission is satisfied that Costello has not complied with Ontario securities law and has not acted in the public interest;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

- (1) pursuant to paragraph 3 of subsection 127(1) of the Act, the exemption contained in subsection 34(d) of the Act shall not apply to Costello for five years from the date of this order, or such lesser period as the Commission may order under section 144 of the Act;
- (2) pursuant to paragraph 4 of subsection 127(1) of the Act, and with the terms and conditions described below pursuant to subsection 127(2) of the Act, Costello submit to a review of his practices and procedures as an adviser during the period from November 11, 2002, being the date of the commencement of the hearing, to the date of this order (the Review Period);
- (3) pursuant to paragraph 6 of subsection 127(1) of the Act, Costello be reprimanded; and
- (4) pursuant to subsections 127.1(1) and (2) of the Act, Costello pay \$300,000 of the costs of the Commission in investigating his affairs and the costs of or related to conducting the hearing.

Terms and Conditions

- (1) The review pursuant to paragraph 4 of subsection 127(1) of the Act shall be conducted by the executive director of the Commission or a person appointed for this purpose by him and should answer the following questions with respect to the Review Period:
 - (i) Does Costello still have a website? If so, does any part of it recommend any specific securities? Does any part of it contain any other information that suggests that Costello may still be carrying on the business of advising?
 - (ii) Does Costello still publish a newsletter? If so, does the newsletter actually or implicitly recommend specific securities or contain any other information that suggests that Costello may still be carrying on the business of advising?
 - (iii) Does Costello still hold seminars? If so, does he actually or implicitly recommend specific securities in a manner that suggests that Costello may still be carrying on the business of advising?
 - (iv) In addition to matters in evidence before us, has Costello published other materials, or undertaken practices and procedures, that suggest he may still be carrying on the business of advising?
- (2) The report of the reviewer shall be filed with the Commission within two months from the date of this order.
- (3) The executive director of the Commission may apply to the Commission, on two days' notice to Costello, for directions or advice on any matter relevant to the review or the preparation of the report of the reviewer.
- (4) We reserve the right to order, pursuant to paragraph 4 of subsection 127(1) of the Act, that Costello institute such changes as we may order based on the report of the reviewer.

DATED at Toronto this 29th day of April, 2003.

"Paul M. Moore"
Paul M. Moore

"M. Theresa McLeod"
M. Theresa McLeod

"Kerry D. Adams"
Kerry D. Adams