

IN THE MATTER OF THE *SECURITIES ACT*, R.S.O. 1990, c. S. 5, as amended;

**IN THE MATTER OF THE *STATUTORY POWERS PROCEDURE ACT*, R.S.O.
1990, c. S. 22, as amended; and**

IN THE MATTER OF KEITH L. GILLAM

**SETTLEMENT AGREEMENT BETWEEN THE STAFF OF THE ONTARIO
SECURITIES COMMISSION AND KEITH L. GILLAM**

I. INTRODUCTION

1. Pursuant to section 5(1) of the “Practice Guidelines – Settlement Procedures in Matters before the Ontario Securities Commission” of the Ontario Securities Commission Rules of Practice, Staff of the Ontario Securities Commission and Keith L. Gillam (“Gillam”) propose to settle the matters described below on the terms set out herein.

II. STATEMENT OF FACTS

Acknowledgment

2. Gillam acknowledges that the facts set out in paragraphs 3 through 12 of this Settlement Agreement are correct.

Facts

3. Vicwest Corporation (“Vicwest”) is a manufacturer of metal building products with its head office located in Oakville, Ontario. Gillam is a member of Vicwest’s Board of Directors and is a member of the Board’s Audit Committee.
4. On November 8, 2004 Vicwest’s Board of Directors held a Director’s Meeting, attended by Gillam. At that meeting the Board approved the following matters:

- The creation of a sub-committee, known as the Finance Committee, to consider converting the corporation to an income trust.
 - The adoption of a number of policies, including an Insider Trading Policy. At the meeting there was a general discussion regarding the Insider Trading Policy and the black out periods.
5. On December 10, 2004 the Board met to receive an update of the 2004 forecast and the 2005 business plan. Gillam attended the meeting. The updated 2004 forecast showed sales, margin, EBITDA and income increases significantly above what was anticipated in the 2004 business plan. Those results were consistent with Vicwest's performance relative to the 2004 business plan in the first three quarters of 2004.
 6. Vicwest's Insider Trading Policy provides that regular black out periods commence on the first day of the month following the quarter end and terminate on the third business day following the public release of the quarterly financial results. The regularly scheduled black out period relating to the 2004 year end financial statements would normally have commenced on January 3, 2005. However, the Board implemented an earlier black out policy from December 10, 2004, the date on which the 2004 forecast and 2005 business plan were presented to the Board.
 7. By memo dated December 13, 2004 Gillam was advised that the trading black out period was extended to include the time period December 10, 2004 to March 15, 2004. On December 17, 2005 Gillam executed an acknowledgement that he had received and reviewed the Insider Trading Policy approved by the Board.
 8. On January 26, 2005 Gillam purchased 7,500 shares of Vicwest at \$7.50 per share (the "Share Purchase"). On February 7, 2005 Gillam filed an Insider Report reflecting the Share Purchase.
 9. On March 11, 2005 Vicwest issued a press release announcing positive year-end financials and Board approval to pursue the proposal for an income trust conversion. On March 14, 2005 Vicwest filed a Material Change Report regarding the income trust proposal.
 10. Subsequent to the above press release, Staff of the Commission began investigating the Share Purchase by Gillam.
 11. Through the Share Purchase Gillam may be deemed to have realized a profit in the amount of \$25,191.50, as calculated pursuant to s. 122(6) of the Act. The shares have not been resold by Gillam.
 12. Gillam has co-operated with Staff of the Commission in its investigation of this matter.

Conduct Contrary to the Public Interest

13. The Share Purchase was done at a time when Gillam was in possession of a material fact that had not generally been disclosed and by his conduct, as described above, Gillam has acted contrary to the public interest.
14. Gillam acknowledges that his trading conduct in regards to the Share Purchase was not acceptable. Gillam advises and Staff accept that the trading conduct was done inadvertently in the context of extreme personal circumstances.

III. TERMS OF SETTLEMENT

15. Gillam agrees to the following settlement terms:
 - i. Payment of \$25,191.50, payable to the Ontario Securities Commission for the benefit of a third party;
 - ii. Payment in the amount of \$ 3,000 on account of costs incurred by Staff.
 - iii. Gillam will attend a corporate governance course at the University of Toronto's Rotman School of Business or an alternate course which has the approval of Staff;
 - iv. Pending successful completion of (iii) above and written notification of same to Staff, Gillam undertakes not to trade, in any manner, in securities of any reporting issuer on which Gillam sits as an Officer or Director, unless he receives prior written confirmation from the Chief Financial Officer and Chief Executive Officer of the reporting issuer; and
 - v. Gillam agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement discussions/negotiations or the process of obtaining the Executive Director's consent to this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

IV. STAFF COMMITMENT

16. If this Settlement receives the consent of the Executive Director, and Gillam satisfies the terms set out above, Staff will not initiate any other proceedings under the Act against Gillam in relation to the facts set out in Part II of this Settlement Agreement.
17. If this Settlement receives the consent of the Executive Director, and at any subsequent time Gillam fails to honour the terms of this Settlement Agreement, Staff reserve the right to refer to this Settlement Agreement in any future proceeding.

V. APPROVAL OF SETTLEMENT

18. If, for any reason whatsoever, the Executive Director does not consent to this Settlement:

- (a) this Settlement Agreement and its terms, including all discussions and negotiations between Staff and Gillam leading up to the execution of this Settlement Agreement, shall be without prejudice to Staff and Gillam;
- (b) Staff and Gillam shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of these matters before the Commission, unaffected by this Settlement Agreement or the settlement discussions/negotiations; and
- (c) the terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person, except with the written consent of Staff and Gillam or as may be required by law.

VI. DISCLOSURE OF SETTLEMENT AGREEMENT

- 19. This Settlement Agreement and its terms will be treated as confidential by Staff and Gillam until consented to by the Executive Director, and forever, if for any reason whatsoever this settlement is not consented to by the Executive Director, except with the consent of Staff and Gillam, or as may be required by law.
- 20. Any obligation of confidentiality shall terminate upon receiving the Executive Director's consent to this settlement.
- 21. Staff and Gillam agree that if the Executive Director does consent to this Settlement, they will not make any public statement inconsistent with this Settlement Agreement.

VII. EXECUTION OF SETTLEMENT AGREEMENT

- 22. Gillam hereby acknowledges and agrees that he has obtained or waived legal advice in connection with this Settlement Agreement and acknowledges that he understands and voluntarily accepts and agrees to the terms set out herein.
- 23. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.
- 24. A facsimile signature of any signature shall be effective as an original signature.

DATED this 9th day of March, 2006

"Serge Labbé"

"Keith L. Gilliam"

Witness

Keith L. Gillam

DATED this 10th day of March, 2006

**STAFF OF THE ONTARIO
SECURITIES COMMISSION**

(Per) “Michael Watson” _____
MICHAEL WATSON
Director, Enforcement Branch

I hereby consent to the settlement of this matter on the terms contained in this Settlement Agreement.

DATED this 10th day of March, 2006

“Charles MacFarlane” _____
CHARLES MACFARLANE
Executive Director