



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF
VINCENT GEORGE BYRNE**

**STATEMENT OF ALLEGATIONS
(Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990 c S.5)**

1. Staff of the Enforcement Branch (**Staff**) of the Ontario Securities Commission (the **Commission**) elect to proceed using the expedited procedure for inter-jurisdictional proceedings as set out in Rule 11(3) of the Commission's *Rules of Procedure*.

A. ORDER SOUGHT

2. Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Ontario *Securities Act*, RSO 1990 c S.5 (the **Act**):
 - (a) against Vincent George Byrne (**Byrne** or the **Respondent**) that:
 - i. pursuant to paragraph 1 of subsection 127(1) of the Act, should Byrne seek registration in Ontario, terms and conditions of close supervision and monthly reporting be imposed upon any grant of registration to Byrne, for a period of five years from the date of granting the registration;
 - ii. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Byrne cease until February 28, 2021, except that Byrne may continue to trade in securities which are beneficially owned by Byrne or by those persons listed in Appendix "A" to the

Order of the Nova Scotia Securities Commission (**NSSC**) dated February 28, 2018 (the **NSSC Order**);

- iii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Byrne until February 28, 2028;
- iv. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Byrne resign any positions that he holds as a director or officer of any issuer or registrant, including an investment fund manager;
- v. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Byrne be prohibited from becoming or acting as a director or officer of any issuer or registrant, including an investment fund manager, until February 28, 2023; and

(b) such other order or orders as the Commission considers appropriate.

B. FACTS

Staff make the following allegations of fact:

- 3. On February 8, 2018, Byrne entered into a Settlement Agreement (the **Settlement Agreement**) with the NSSC.
- 4. Pursuant to the Settlement Agreement, Byrne admitted to breaching registration requirements under Nova Scotia securities legislation, and agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Nova Scotia.
- 5. Byrne is subject to the NSSC Order, which imposes sanctions, conditions, restrictions or requirements upon him.

(i) The NSSC Proceedings

Statement of Agreed Facts

6. In the Settlement Agreement, Byrne agreed with the following facts:

Background

- (a) The Respondent is a resident of Amherst, Nova Scotia.
- (b) The Respondent was registered with the NSSC in the category of mutual fund salesperson, or dealing representative, from November 1992 until October 2013.
- (c) At no time was the Respondent a registered representative of a member firm of the Investment Industry Regulatory Organization of Canada.
- (d) From 1992 to 2009, the Respondent was the bank manager at Scotiabank in Amherst, Nova Scotia.
- (e) In February 2006, the Respondent registered a partnership known as Vince Byrne and Associates Consulting with the Nova Scotia Registry of Joint Stocks. The nature of the business is noted as financial consulting, mortgage broker, and custom travel excursions.

Unregistered Activity

- (f) Between 2013, when the Respondent's registration with the NSSC ended, and December 2016, the Respondent recommended to some clients that they open trading accounts at Scotia iTrade. The account documents included a standard Scotia iTrade Trading Authority which, when made out in the Respondent's name, gave him access to account information as well as trading authority over those accounts. The Respondent charged some of those clients \$25 per month to manage those iTrades accounts.

- (g) Between 2013 and December 2016, numerous trades in equities and mutual funds in at least 16 client Scotia iTrade accounts were effected through the Respondent.

Specific Violation

- (h) By having trading authority and by effecting numerous trades in 16 client accounts, the Respondent acted as an adviser without being registered to do so, thereby violating section 31(1)(2)(a) of the Nova Scotia *Securities Act*, RSNS 1989, c 418, as amended (the **Nova Scotia Securities Act**).

(ii) The NSSC Order

7. The NSSC Order imposed the following sanctions, conditions, restrictions or requirements upon Byrne:
- i. pursuant to section 134(1)(a)(i) of the Nova Scotia *Securities Act*, Byrne complies with and ceases contravening Nova Scotia securities laws;
 - ii. pursuant to section 134(1)(b) of the Nova Scotia *Securities Act*, Byrne shall, for a period of three years from the date of the NSSC Order, cease trading in securities beneficially owned by anyone other than himself, with the exception of those persons listed in Appendix "A" to the NSSC Order, which shall not be made public;
 - iii. pursuant to section 134(1)(c) of the Nova Scotia *Securities Act*, all of the exemptions contained in Nova Scotia securities laws do not apply to Byrne for a period of ten years from the date of the NSSC Order;
 - iv. pursuant to section 134(1)(d)(ii) of the Nova Scotia *Securities Act*, Byrne shall be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, for a period of five years from the date of the NSSC Order;

- v. pursuant to section 134(1)(f) of the Nova Scotia *Securities Act*, that terms and conditions of close supervision and monthly reporting be imposed upon any grant of registration to Byrne for a period of five years from the date of granting the registration;
- vi. pursuant to section 134(1)(h) of the Nova Scotia *Securities Act*, Byrne shall be reprimanded; and
- vii. pursuant to sections 135(a) and (b) of the Nova Scotia *Securities Act*, Byrne shall pay to the NSSC an administrative penalty in the amount of seven thousand five hundred dollars (\$7,500.00): five thousand dollars (\$5,000.00) of which is payable within 60 days from the date of the NSSC Order, and two thousand five hundred dollars (\$2,500.00) of which is payable within six months of the date of the NSSC Order.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

- 8. Pursuant to the Settlement Agreement, Byrne agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Nova Scotia.
- 9. Byrne is subject to an order of the NSSC imposing sanctions, conditions, restrictions or requirements upon him.
- 10. Pursuant to paragraphs 4 and 5, respectively, of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that a person or company is to be made subject to sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.
- 11. Staff allege that it is in the public interest to make an order against Byrne.

12. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

DATED at Toronto this 13th day of August, 2018.