



Saskatchewan
Financial Services
Commission

Securities Division



In the Matter of
The Securities Act, 1988, S.S. 1988, C. S-42.2

and

In the Matter of

Joseph Scott Banbury

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE SASKATHCEWAN FINANCIAL SERVICES COMMISSION**

To: Joseph Scott Banbury

Staff of the Saskatchewan Financial Services Commission (Staff of SFSC) make the following allegations:

The Respondent

1. The Respondent, Joseph Scott Banbury (Banbury) is a resident of Regina, Saskatchewan. At all material times, Banbury was registered with the Saskatchewan Financial Services Commission (the Commission) as a dealing representative of a mutual fund dealer.

Contravention of subsection 33.1(1) of the *The Securities Act, 1988* (the Act)

2. On April 29, 2008 and April 30, 2008 Banbury gave the following advise to the following clients:
 - (a) On April 29, 2008 Banbury advised [REDACTED] ([REDACTED]) of [REDACTED], [REDACTED] to invest \$50,000 in the securities of Spruce Ridge Capital Inc. (Spruce Inc.) and to declare in a representation letter which

Banbury prepared on behalf of ██████████ that she had net assets, alone or with a spouse, exceeding \$400,000 thereby qualifying as an eligible investor as defined in National Instrument 45-106 (NI 45-106). Banbury acted unfairly, dishonestly and without good faith in qualifying ██████████ as an eligible investor because Banbury knew or reasonably ought to have known that ██████████ did not qualify as eligible investor;

- (b) On April 29, 2008 Banbury advised ██████████ to invest \$20,000 in the securities of Stoneset Equities Ltd, (Stoneset Ltd) and to declare in a representation letter which Banbury prepared on behalf of ██████████ that she had net asset, alone or with a spouse, exceeding \$400,000 thereby qualifying as an eligible investor as defined by NI 45-106. Banbury acted unfairly, dishonestly and without good faith in qualifying ██████████ as an eligible investor because Banbury knew or reasonably ought to have known that ██████████ did not qualify as eligible investor;
- (c) On April 30, 2008 Banbury advised ██████████ (██████) of ██████████ ██████████ to invest \$35,000 in the securities of Spruce Inc. and to declare in a representation letter which Banbury prepared on behalf of ██████████ that she had net asset, alone or with a spouse, exceeding \$400,000 thereby qualifying as an eligible investor as defined by NI 45-106. Banbury acted unfairly, dishonestly and without good faith in qualifying ██████████ as an eligible investor because Banbury knew or reasonably ought to have known that ██████████ did not qualify as an eligible investor; and
- (d) On April 30, 2008 Banbury advised ██████████ to invest \$10,000 in the securities of Stoneset Ltd, and to declare in a representation letter which Banbury prepared on behalf of ██████████ that she had net asset, alone or with a spouse, exceeding \$400,000 thereby qualifying as an eligible investor as defined by NI 45-106. Banbury acted unfairly, dishonestly and without good faith in qualifying ██████████ as an eligible investor because Banbury knew or reasonably ought to have known that ██████████ did not qualify as an eligible investor.

3. In giving the advise set out in paragraphs 2 (a) - (d) above, and in his dealings with ██████████ and ██████████ as summarized above, Banbury contravened the provisions of sub-section 33.1(1) of the Act.

Based on the above allegation, Staff of SFSC will ask the hearing panel to consider whether it is in the public interest to make any of the following orders against Banbury:

- (a) pursuant to section 135.1 of the Act that Banbury pay an administrative penalty of \$3000 to the Commission; and

- (b) pursuant to section 161 of the Act that Banbury pay the costs of or relating to a hearing into the above allegations.

DATED at Regina, Saskatchewan, on July 12, 2012

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Dean Murrison
Director, Securities Division