

**In the Matter of
*The Securities Act, 1988***

and

**In the Matter of
Kathleen Waite (also known as Kathy Waite)**

Order

WHEREAS Kathleen Waite, also known as Kathy Waite (Waite), and the Director of the Securities Division (the Director) of Financial and Consumer Affairs Authority of Saskatchewan (the Authority) entered into a settlement agreement dated December 17, 2013 (the Settlement Agreement), the original of which is attached hereto as Appendix "A";

AND WHEREAS pursuant to the terms of the Settlement Agreement, Waite and the Director consented to the issuance of an Order by the Authority ordering that:

1. Pursuant to clause 134(1)(a) of the Act, any and all exemptions from the requirements to register as a dealer and/or an adviser do not apply to Waite, for the period of time up to and including January 1, 2017;
2. Pursuant to clause 134(f)(i) of the Act, Waite shall cease contravening clause 27(2)(b) of the Act;
3. Pursuant to clause 134(1)(g) of the Act, Waite is prohibited from disseminating to the public, or authorizing the dissemination to the public, any record or documents stating that Waite is an adviser or holding out that Waite is an adviser, as defined by the Act;
4. Pursuant to clause 134(1)(g) of the Act, Waite shall, forthwith, advise each of her current clients, in writing, that she is not registered with the Authority and is not permitted to advise others as to the investing in or the buying or selling of securities;
5. Pursuant to clause 134(1)(h) of the Act, Waite shall resign any position that she holds as a director or officer of an issuer, a registrant or an investment fund manager;
6. Pursuant to clause 134(1)(h) of the Act, Waite is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager up to and including January 1, 2017;

7. Pursuant to clause 134(1)(h) of the Act, Waite shall not be employed by any issuer, registrant or investment fund manager for the period of time up to and including January 1, 2017;
8. Pursuant to clause 134(1)(h.1) of the Act, Waite is prohibited from becoming or acting as registrant or an investment fund manager for the period of time up to and including January 1, 2017; and
9. Pursuant to section 135.1 of the Act, Waite shall pay an administrative penalty to the Authority in the amount of \$5,000;

AND WHEREAS the Director has consented to amend the Settlement Agreement, to provide consent for the issuance of an order by the Authority, ordering that:

1. Pursuant to clause 134(1)(a) of the Act, any and all exemptions from the requirements to register as a dealer and/or an adviser do not apply to Waite, for the period of time up to and including January 1, 2016;
2. Pursuant to clause 134(f)(i) of the Act, Waite shall cease contravening clause 27(2)(b) of the Act;
3. Pursuant to clause 134(1)(g) of the Act, Waite is prohibited from disseminating to the public, or authorizing the dissemination to the public, any record or documents stating that Waite is an adviser or holding out that Waite is an adviser, as defined by the Act;
4. Pursuant to clause 134(1)(g) of the Act, Waite shall, forthwith, advise each of her current clients, in writing, that she is not registered with the Authority and is not permitted to advise others as to the investing in or the buying or selling of securities;
5. Pursuant to clause 134(1)(h) of the Act, Waite shall resign any position that she holds as a director or officer of an issuer, a registrant or an investment fund manager;
6. Pursuant to clause 134(1)(h) of the Act, Waite is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager up to and including January 1, 2016;
7. Pursuant to clause 134(1)(h.1) of the Act, Waite is prohibited from becoming or acting as registrant or an investment fund manager for the period of time up to and including January 1, 2016; and
8. Pursuant to section 135.1 of the Act, Waite shall pay an administrative penalty to the Authority in the amount of \$5,000;

AND WHEREAS the Authority has approved the Settlement Agreement, subject to the amendments, set out directly above;

AND WHEREAS Waite has waived her right to a hearing in this matter as well as her right to any appeal with respect to this matter;

AND WHEREAS the Authority is of the opinion that it is in the public interest to make this Order;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. Pursuant to clause 134(1)(a) of the Act, any and all exemptions from the requirements to register as a dealer and/or an adviser do not apply to Waite, for the period of time up to and including January 1, 2016;
2. Pursuant to clause 134(f)(i) of the Act, Waite shall cease contravening clause 27(2)(b) of the Act;
3. Pursuant to clause 134(1)(g) of the Act, Waite is prohibited from disseminating to the public, or authorizing the dissemination to the public, any record or documents stating that Waite is an adviser or holding out that Waite is an adviser, as defined by the Act;
4. Pursuant to clause 134(1)(g) of the Act, Waite shall, forthwith, advise each of her current clients, in writing, that she is not registered with the Authority and is not permitted to advise others as to the investing in or the buying or selling of securities;
5. Pursuant to clause 134(1)(h) of the Act, Waite shall resign any position that she holds as a director or officer of an issuer, a registrant or an investment fund manager;
6. Pursuant to clause 134(1)(h) of the Act, Waite is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager up to and including January 1, 2016;
7. Pursuant to clause 134(1)(h.1) of the Act, Waite is prohibited from becoming or acting as registrant or an investment fund manager for the period of time up to and including January 1, 2016; and
8. Pursuant to section 135.1 of the Act, Waite shall pay an administrative penalty to the Authority in the amount of \$5,000;

DATED at Regina, Saskatchewan on February 13, 2014.



Mary Ann McFadyen
Chairperson of the Hearing Panel
Financial and Consumer Affairs Authority
of Saskatchewan

**In the Matter of
*The Securities Act, 1988***

and

**In the Matter of
Kathleen Waite (also known as Kathy Waite)**

SETTLEMENT AGREEMENT

WHEREAS the Director of the Securities Division (the Director) of Financial and Consumer Affairs Authority of Saskatchewan (the Authority) issued a Statement of Allegations of Staff of the Authority, dated September 5, 2013 (the Statement of Allegations), with the Authority, in which it was alleged that Kathleen Waite (also known as Kathy Waite) (Waite) engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act);

AND WHEREAS Waite and the Director each desire to dispose of the allegations against Waite, as contained in the Statement of Allegations, by way of agreement, as permitted by section 135.3 of the Act;

AND WHEREAS Waite and the Director acknowledge that this Settlement Agreement is subject to the approval of the Authority and, if approved by the Authority, will be published on the Authority's website;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, Waite and the Director hereby agree as follows:

1. The following facts, which were alleged by staff of the Authority in the Statement of Allegations, are hereby admitted by Waite:
 - (a) At various times in or around 2005 to on or about October 21, 2011, Waite was employed by a registered mutual fund dealer (the Registered Dealer);
 - (b) From on or about June 28, 2005 to on or about October 21, 2011, Waite was registered with the Authority, first as a salesperson, then as a dealing representative of a registered mutual fund dealer;

- (c) From in or around October 2011 to in or around August 2012, Waite carried on business as a fee-based financial planner under the unregistered name, "Saskmoneycoach". Waite created and maintained the website, www.saskmoneycoach.ca;
- (d) From in or around August 2012 to present, Waite has carried on business as a fee-based financial planner with Eureka Investor Guidance. Eureka Investor Guidance, for a time, carried on as a partnership, with Waite as one of the partners, and is now a sole proprietorship;
- (e) Waite has not been registered in any capacity with FCAA since on or about October 21, 2011;
- (f) From in or around 2011 to in or around 2012, Waite met with a number of investors in Saskatchewan and held herself out as engaging in the business of advising others as to the investing in or the buying or selling of securities.
- (g) The particulars of some of Waite's meetings with investors include, but are not limited to, the following:
 - i. Waite met with each of Investor 1 and Investor 2 (collectively the Investors). Both of the Investors were residents of Saskatchewan;
 - ii. At the meetings Waite entered into agreements with each of the Investors to be the Investors' adviser in exchange for an annual fee of \$1,000;
 - iii. Waite had provided advice as to investing in mutual funds to each of the Investors while she was registered with the Authority and employed by the Registered Dealer;
 - iv. At the meeting with Investor 1, Investor 1 advised Waite that she had very limited knowledge of investments or investing and that she wanted to take a "hands-off" role in her investing. Waite told Investor 1 that it was Waite's role to advise Investor 1;
 - v. At the meeting with Investor 2, Waite held out to Investor 2 that she would provide the same assistance to Investor 2 as she had when she was employed by the Registered Dealer;
 - vi. Waite provided each of the Investors with a number of documents, one of which described the benefits of buying indexed funds (either exchange-traded funds or mutual funds) over actively managed funds, another of which was entitled "4 reasons to buy ETFs [exchange-traded funds]";
 - vii. Waite advised each of the Investors to open an online trading account with Qtrade Financial Group, and held out to the Investors that she would

advise each on which securities to invest in or provide recommendations on which securities to invest in;

- viii. Upon Waite's advice, Investor 1 transferred approximately \$77,000 into an online trading account with Qtrade Financial Group;
 - ix. Investor 1 then waited for further advice from Waite; and
 - x. Upon Waite's advice, Investor 2 transferred approximately \$60,000 into an online trading account with Qtrade Financial Group.
- (h) In carrying out the activities in paragraph (g), and in holding herself out as engaging in the business of advising others as to the investing in or the buying or selling of securities, Waite's actions fell within the definition of "adviser", under the Act.
 - (i) Waite has not been registered in any capacity with the Authority since on or about October 21, 2011, and as such, acted as an adviser while not registered to do so, contrary to clause 27(2)(b) of the Act.
2. Waite and the Director agree that there was no allegation of any financial loss having been suffered by Investor 1 or Investor 2, as it appears each was able to retrieve all funds deposited from the Qtrade Financial Group accounts.
 3. Waite hereby waives her right to a hearing in this matter as well as her right to any appeal with respect to this matter.
 4. Waite and the Director hereby consent to the issuance of an order by the Authority in substantially the form attached hereto as Appendix "A", ordering that:
 - (a) Pursuant to clause 134(1)(a) of the Act, any and all exemptions from the requirements to register as a dealer and/or an adviser do not apply to Waite, for the period of time up to and including January 1, 2017;
 - (b) Pursuant to clause 134(f)(i) of the Act, Waite shall cease contravening clause 27(2)(b) of the Act;
 - (c) Pursuant to clause 134(1)(g) of the Act, Waite is prohibited from disseminating to the public, or authorizing the dissemination to the public, any record or documents stating that Waite is an adviser or holding out that Waite is an adviser, as defined by the Act;
 - (d) Pursuant to clause 134(1)(g) of the Act, Waite shall, forthwith, advise each of her current clients, in writing, that she is not registered with the Authority and is not permitted to advise others as to the investing in or the buying or selling of securities;

- (e) Pursuant to clause 134(1)(h) of the Act, Waite shall resign any position that she holds as a director or officer of an issuer, a registrant or an investment fund manager;
 - (f) Pursuant to clause 134(1)(h) of the Act, Waite is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager up to and including January 1, 2017;
 - (g) Pursuant to clause 134(1)(h) of the Act, Waite shall not be employed by any issuer, registrant or investment fund manager for the period of time up to and including January 1, 2017;
 - (h) Pursuant to clause 134(1)(h.1) of the Act, Waite is prohibited from becoming or acting as registrant or an investment fund manager for the period of time up to and including January 1, 2017; and
 - (i) Pursuant to section 135.1 of the Act, Waite shall pay an administrative penalty to the Authority in the amount of \$5,000.
5. Based upon the facts contained herein, the Director hereby agrees that the sanctions set out in paragraph 3 are the only sanctions the Director will seek to have the Authority impose upon Waite with respect to the matters set out in the Statement of Allegations, provided that nothing shall prohibit the Director from considering or dealing with any new matter not set out in the Statement of Allegations or any new complaint brought to the Director's attention against Waite.
 6. The terms of this Settlement Agreement shall be treated as confidential by Waite and the Director, and may not be disclosed by either party to any person except with the consent of Waite and the Director, or as required by law, until such time as it is signed by both parties and approved by the Authority.
 7. Waite hereby affirms that she has read and understood the terms of this Settlement Agreement, and is signing it voluntarily and of her own free will.
 8. This Settlement Agreement may be signed in one or more counterparts and shall together constitute a binding agreement.
 9. A facsimile copy of any signature shall be as effective as an original signature.
 10. This contract shall be governed by and construed in accordance with the laws of the province of Saskatchewan.
 11. Waite hereby acknowledges that she has been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that either:

- (a) she has obtained such independent legal advice and is satisfied with the same, prior to executing this Settlement Agreement; or
 - (b) she has willingly chosen not to obtain such advice prior to executing this Settlement Agreement.
12. This Settlement Agreement, and any referenced appendices or amendments hereto constitutes the entire agreement between Waite and the Director in connection with the allegations set forth in the Statement of Allegations.

IN WITNESS WHEREOF

Kathleen Waite, also known as Kathy Waite, has executed this Settlement Agreement at CRAN, Saskatchewan, this 6 day of December 2013.

SIGNED in the presence of:



Name: Kathy Waite

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Kathleen Waite

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 17 day of December, 2013.

SIGNED in the presence of:



Name: O

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Dean Murrison
Director, Securities Division
Financial and Consumer Affairs Authority
of Saskatchewan

Appendix "A"

**In the Matter of
The Securities Act, 1988**

and

**In the Matter of
Kathleen Waite (also known as Kathy Waite)**

Order

(Pursuant to Sections 134, 135.1 and 135.3 of *The Securities Act, 1988* (the Act))

WHEREAS Kathleen Waite, also known as Kathy Waite (Waite), and the Director of the Securities Division (the Director) of Financial and Consumer Affairs Authority of Saskatchewan (the Authority) have entered into a settlement agreement dated _____, 2013 (the Settlement Agreement), the original of which is attached hereto as Appendix "A";

AND WHEREAS an application has been received by the Authority from staff of the Authority for an order that:

1. Pursuant to clause 134(1)(a) of the Act, any and all exemptions from the requirements to register as a dealer and/or an adviser do not apply to Waite, for the period of time up to and including January 1, 2017;
2. Pursuant to clause 134(f)(i) of the Act, Waite shall cease contravening clause 27(2)(b) of the Act;
3. Pursuant to clause 134(1)(g) of the Act, Waite is prohibited from disseminating to the public, or authorizing the dissemination to the public, any record or documents stating that Waite is an adviser or holding out that Waite is an adviser, as defined by the Act;
4. Pursuant to clause 134(1)(g) of the Act, Waite shall, forthwith, advise each of her current clients, in writing, that she is not registered with the Authority and is not permitted to advise others as to the investing in or the buying or selling of securities;
5. Pursuant to clause 134(1)(h) of the Act, Waite shall resign any position that she holds as a director or officer of an issuer, a registrant or an investment fund manager;

6. Pursuant to clause 134(1)(h) of the Act, Waite is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager up to and including January 1, 2017;
7. Pursuant to clause 134(1)(h) of the Act, Waite shall not be employed by any issuer, registrant or investment fund manager for the period of time up to and including January 1, 2017;
8. Pursuant to clause 134(1)(h.1) of the Act, Waite is prohibited from becoming or acting as registrant or an investment fund manager for the period of time up to and including January 1, 2017; and
9. Pursuant to section 135.1 of the Act, Waite shall pay an administrative penalty to the Authority in the amount of \$5,000.

AND WHEREAS, pursuant to section 135.3 of the Act, proceedings may be disposed by an agreement approved by the Authority, without the necessity of a hearing;

AND WHEREAS the Authority has approved the Settlement Agreement;

AND WHEREAS Waite has waived her right to a hearing in this matter as well as her right to any appeal with respect to this matter, and has consented to the issuance of this Order;

AND WHEREAS the Authority is of the opinion that it is in the public interest to make this Order;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. Pursuant to clause 134(1)(a) of the Act, any and all exemptions from the requirements to register as a dealer and/or an adviser do not apply to Waite, for the period of time up to and including January 1, 2017;
2. Pursuant to clause 134(f)(i) of the Act, Waite shall cease contravening clause 27(2)(b) of the Act;
3. Pursuant to clause 134(1)(g) of the Act, Waite is prohibited from disseminating to the public, or authorizing the dissemination to the public, any record or documents stating that Waite is an adviser or holding out that Waite is an adviser, as defined by the Act;
4. Pursuant to clause 134(1)(g) of the Act, Waite shall, forthwith, advise each of her current clients, in writing, that she is not registered with the Authority and is not permitted to advise others as to the investing in or the buying or selling of securities;
5. Pursuant to clause 134(1)(h) of the Act, Waite shall resign any position that she holds as a director or officer of an issuer, a registrant or an investment fund manager;

6. Pursuant to clause 134(1)(h) of the Act, Waite is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager up to and including January 1, 2017;
7. Pursuant to clause 134(1)(h) of the Act, Waite shall not be employed by any issuer, registrant or investment fund manager for the period of time up to and including January 1, 2017;
8. Pursuant to clause 134(1)(h.1) of the Act, Waite is prohibited from becoming or acting as registrant or an investment fund manager for the period of time up to and including January 1, 2017; and
9. Pursuant to section 135.1 of the Act, Waite shall pay an administrative penalty to the Authority in the amount of \$5,000.

DATED at Regina, Saskatchewan on _____, 2013.

Chairperson of the Hearing Panel
Financial and Consumer Affairs Authority
of Saskatchewan