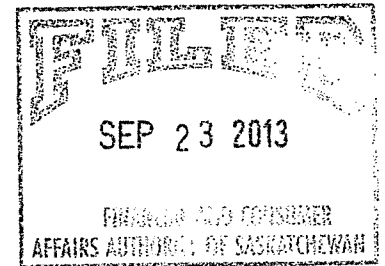




In the Matter of
The Securities Act, 1988

and

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



**STATEMENT OF ALLEGATIONS
OF STAFF OF THE FINANCIAL AND CONSUMER AFFAIRS
AUTHORITY OF SASKATCHEWAN**

To: **Kathleen (Kathy) Waite**

Staff of the Financial and Consumer Affairs Authority of Saskatchewan (Staff of the FCAA) make the following allegations:

The Respondent

1. The Respondent, Kathleen Waite, who is also known as Kathy Waite (Waite), is a resident of Craven, Saskatchewan.
2. 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).
3. From on or about June 28, 2005 to on or about October 21, 2011, Waite was registered with Financial and Consumer Affairs Authority of Saskatchewan (FCAA) first as a salesperson, then as a dealing representative of a registered mutual fund dealer.
4. 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.
5. From in or around August 2012 to present, Waite has carried on business as a fee-based financial planner as one of two partners in the registered partnership, Eureka Investor Guidance. Waite's son, [REDACTED], is the only other partner in Eureka Investor Guidance.
6. Waite has not been registered in any capacity with FCAA since on or about October 21,

2011.

Contraventions of clause 27(2)(b) of *The Securities Act, 1988* (the Act)

7. Between in or around 2011 to in or around 2012, Waite held herself out as engaging in the business of advising others as to the investing in or the buying or selling of securities.
8. From in or around 2011 to in or around 2012, Waite held herself out as being an adviser with Saskmoneycoach on the website for the Canadian Association of Farm Advisors; www.cafanet.com.
9. From in or around 2011 to in or around 2012, Waite held herself out as a fee-only planner specializing in “investment coaching – ETF consulting/strategy” on the website www.moneysense.ca.
10. From in or around 2011 to in or around 2012, Waite met with a number of investors in Saskatchewan and acted as an advisor to these investors while not registered to do so, the particulars of which include, but are not limited to the following:
 - a. Waite met with each of Investor 1 and Investor 2 (collectively the Investors). Both of the Investors were residents of Saskatchewan;
 - b. 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;
 - c. Waite had provided advice as to investing in mutual funds to each of the Investors while she was registered with FCAA and employed by the Registered Dealer;
 - d. 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;
 - e. 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;
 - f. 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]”;
 - g. Waite advised each of the Investors to open an online trading account with [REDACTED], 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;

- h. Upon Waite's advice, Investor 1 transferred approximately \$77,000 into an online trading account with [REDACTED];
 - i. Investor 1 then waited for further advice from Waite;
 - j. Upon Waite's advice, Investor 2 transferred approximately \$60,000 into an online trading account with [REDACTED];
11. In carrying out the acts indicated in paragraphs 7 – 10, Waite held out to the Investors and to the investing public in Saskatchewan that she was engaging in the business of advising others as to the investing in or the buying or selling of securities.
12. Waite has not been registered in any capacity with FCAA 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.
13. Based on the above, Staff of the FCAA ask the hearing panel to consider whether it is in the public interest to make the following orders:
 - a. Pursuant to clause 134(1)(d) of the Act, the Respondent shall cease trading in securities or exchange contracts up to and including January 1, 2017;
 - b. Pursuant to clause 134(1)(d.1) of the Act, the Respondent shall cease acquiring securities or exchange contracts for residents of Saskatchewan up to and including January 1, 2017;
 - c. Pursuant to clause 134(1)(e) of the Act, the Respondent shall cease giving advice respecting securities, trades or exchange contracts in Saskatchewan up to and including January 1, 2017;
 - d. Pursuant to clause 134(1)(g) of the Act, the Respondent is prohibited from disseminating to the public, or authorizing the dissemination to the public, any record or documents stating that the Respondent is an adviser or holding out that the Respondent is an advisor, as defined by the Act;
 - e. Pursuant to clause 134(1)(g) of the Act, the Respondent shall, forthwith, advise each of her current clients, in writing, that she is not registered with the FCAA and is not permitted to give investment advice;
 - f. Pursuant to clause 134(1)(h) of the Act, the Respondent shall resign any position that she holds as a director or officers of an issuer, a registrant or an investment fund manager;
 - g. Pursuant to clause 134(1)(h) of the Act, the Respondent 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;

- h. Pursuant to clause 134(1)(h) of the Act, the Respondent shall not be employed by any issuer, registrant or investment fund manager up to and including January 1, 2017;
- i. Pursuant to clause 134(1)(h.1) of the Act, the Respondent is prohibited from becoming or acting as registrant or an investment fund manager up to and including January 1, 2017;
- j. Pursuant to clause 134(1)(i) of the Act, the Respondent is reprimanded for acting as an adviser in the Province of Saskatchewan while not registered to do so;
- k. Pursuant to section 135.1 of the Act, the Respondent shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$7,500; and
- l. Pursuant to section 161 of the Act, the Respondent shall pay the costs of or relating to the hearing in this matter.

DATED at Regina, Saskatchewan, this 5 day of September, 2013.



Dean Murrison
Director,
Securities Division