

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

and

**In the Matter of
Vincent John Mullee
and
Vince Mullee Financial Inc.**

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

**To: Vincent John Mullee
Vince Mullee Financial Inc.**

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

RESPONDENTS

1. The Respondent, Vincent John Mullee (**Mullee**), is an individual residing in or around Saskatoon, Saskatchewan.
2. During the Relevant Time, June 2014 to May 2018, the Respondent, Vince Mullee Financial Inc. (**VMF**), was a business corporation incorporated pursuant to the laws of the Province of Saskatchewan with a registered office at ██████████ Saskatoon, Saskatchewan. At all material times, Mullee was the sole director and directing mind of VMF, and accepted investment funds while operating in the name of VMF and out of the office of VMF.
3. The Respondent Mullee functioned in an unregistered capacity with Wealthco Financial Advisory Services Inc. from September 2000 to February 2, 2011. Then on February 2, 2011 he was registered as a Dealer Representative for Wealthco Asset Management Inc. until his suspension on June 25, 2018.

FACTS

4. From in or around June, 2014 to in or around May, 2018, the Respondents accepted investment funds in excess of \$1.9M from the investors listed below who are resident in Saskatchewan in the following amounts and on the following dates (or thereabout):

1. Investor	2. Amount Invested ¹	3. Investment Issuance Date/Number ²	4. Investment Effective/Confirmation Date	5. Investment Name
Investor 1	\$20,000 [REDACTED] Dated: 09/14/2013	09/15/2013 #[REDACTED]	09/24/2013	BBS-CAMECO 25 year bond
	\$ 5,000 [REDACTED] Dated: 07/24/2015	08/05/2015	09/25/2017	BBS-CAMECO 25 year bond
Investor 2	\$100,000 [REDACTED] Dated: 08/21/2014	August 2014 #[REDACTED]	09/01/2014	EXCELLENCE
Investor 3	\$30,000 [REDACTED] Dated: 11/17/2017	#[REDACTED]	12/01/2017	WEALTHCO DRIVE FOR A MILLION FUND
Investor 4	\$50,000 [REDACTED] Dated: 09/13/2013	09/15/2013	09/25/2017	BBS-CAMECO 25 year bond
	\$250,000 [REDACTED] Dated: 07/23/2015	08/05/2015 #[REDACTED]	09/25/2017	BBS-CAMECO 25 year bond
Investor 5	\$60,000 [REDACTED] Dated: 12/01/2017		N/A	INDUSTRIAL ALLIANCE INVESTMENTS GIC

¹ In the interests of narrative and continuity, all investments accepted by the Respondents are included in this chart although some may be outside the limitation period.

² The “Investment Issuance Date”; “Investment Effective/Confirmation” dates and numbers assigned in the third and fourth columns of this table are taken from the security certificate that corresponds to the “investment confirmation” provided by the Respondents to the Investors.

1. Investor	2. Amount Invested	3. Investment Issuance Date/Number	4. Investment Effective/Confirmation Date	5. Investment Name
Investor 6	\$50,001 [REDACTED] Dated: 06/21/2014	07/02/2014 #[REDACTED]	07/14/2014	IAP BOND - EXEC
	\$50,000 [REDACTED] Dated: 12/01/2014	N/A	N/A	IAP BOND - EXEC
	\$50,000 [REDACTED] Dated: 12/10/2017	N/A	N/A	IAP BOND - EXEC
Investor 7	\$85,000	#[REDACTED]	08/15/2014	PGA TSX No. 50
Investor 8	\$6,300	05/15/2003 #[REDACTED]	03/30/2007	THEORDORE HNATIW BBS BOND A56
	\$25,000	07/06/2009 #[REDACTED]	N/A	STOREX 18
	\$35,000 [REDACTED]	03/01/2013 #[REDACTED]	03/15/2013	IA BOND-EXC
	\$15,500 [REDACTED] Dated: 08/04/2016	08/10/2016 #[REDACTED]	N/A	STOREX 18
Investor 9	\$43,700 (Transfer from his TFSA in 2017)	N/A	N/A	P3 ACCOUNT
	\$25,000 [REDACTED] Dated: 04/26/2018	04/26/2018	N/A	P3 ACCOUNT
Investor 10	\$15,000 [REDACTED] 06/05/2015	#[REDACTED]	07/03/2015	BBS-CAMECO 25 year bond
	\$7,000 [REDACTED] Dated: 09/30/2016	N/A	N/A	BBS-CAMECO 25 year bond

1. Investor	2. Amount Invested	3. Investment Issuance Date/Number	4. Investment Effective/Confirmation Date	5. Investment Name
	\$3,000 [REDACTED] Dated: 09/30/2016	N/A	N/A	BBS-CAMECO 25 year bond
	\$7,000 [REDACTED] Dated: 11/27/2017	N/A	N/A	BBS-CAMECO 25 year bond
Investor 11	\$20,000 [REDACTED] Dated: 06/30/2017	# [REDACTED]	N/A	BBS-CAMECO 25 year bond
Investor 12	\$23,000 [REDACTED] Dated: 09/15/2017	09/15/2017 # [REDACTED]	10/31/2017	GIC-5
	\$14,000 [REDACTED] Dated: 10/02/2017	10/02/2017 # [REDACTED]	10/31/2017	GIC-5
Investor 13	\$5,000	09/01/2013 # [REDACTED]	05/?/2013	BBS CAMECO 25 year bond
	\$20,000 [REDACTED] Dated: 11/12/2013	09/01/2013 # [REDACTED]	05/?/2013	BBS CAMECO 25 year bond
	\$12,000 [REDACTED] Dated 11/12/2013	09/01/2013 # [REDACTED]	05/?/2013	BBS CAMECO 25 year bond
	\$1,000 [REDACTED] Dated: 01/30/2014	09/01/2013 # [REDACTED]	05/?/2013	BBS CAMECO 25 year bond
	\$1,500 [REDACTED] Dated: 11/06/2014	09/01/2013 # [REDACTED]	05/?/2013	BBS CAMECO 25 year bond
	\$10,000 [REDACTED] Dated: 01/28/2017	01/29/2017 # [REDACTED]	01/27/2018	Ecoflex - BBS Bond A56
Investor 14	\$100,000 [REDACTED] Dated: 09/14/2015	09/23/2015 # [REDACTED]	09/26/2016	Guaranteed Investment Certificate

1. Investor	2. Amount Invested	3. Investment Issuance Date/Number	4. Investment Effective/Confirmation Date	5. Investment Name
Investor 15	\$50,000 Bank Drafts: # [REDACTED] Dated: 05/26/2018	05/25/2018	N/A	Bank draft made out to Vince Mullee for an investment in insurance on new vehicles
Investor 16	\$15,000 [REDACTED] Dated: 06/01/2005	N/A	N/A	PGA TSX - 40
	\$10,000 [REDACTED] Dated: 06/08/2005	N/A	N/A	PGA TSX - 40
	\$15,000 [REDACTED] Dated: 08/22/2005	N/A	N/A	PGA TSX - 40
	\$35,000 [REDACTED] Dated: 05/30/2006	N/A	N/A	PGA TSX - 40
	\$8,000 [REDACTED] Dated: 02/02/2007	N/A	N/A	PGA TSX - 40
	\$25,000 [REDACTED] Dated: 11/05/2007	N/A	N/A	PGA TSX - 40
	\$6,615 [REDACTED] Dated: 02/09/2010	N/A	N/A	PGA TSX - 40
	\$30,000 [REDACTED] Dated: 03/29/2010	N/A	N/A	PGA TSX - 40
	\$30,000 [REDACTED] Dated: 08/09/2010	N/A	N/A	PGA TSX - 40
	\$20,000 [REDACTED] Dated: 01/07/2011	N/A	N/A	PGA TSX - 40
	\$50,000 [REDACTED] Dated: 09/06/2011	N/A	N/A	PGA TSX - 40
	\$15,000 [REDACTED] Dated: 09/13/2012	N/A	N/A	PGA TSX - 40
	\$20,000 [REDACTED] Dated: 02/01/2013	N/A	N/A	PGA TSX - 40

1. Investor	2. Amount Invested	3. Investment Issuance Date/Number	4. Investment Effective/Confirmation Date	5. Investment Name
	\$50,000 [REDACTED] Dated: 02/18/2014	N/A	N/A	PGA TSX - 40
	\$25,000 [REDACTED] Dated: 08/13/2014	N/A	N/A	PGA TSX - 40
	\$30,000 [REDACTED] Dated: 07/02/2015	N/A	N/A	PGA TSX - 40
	\$50,000 [REDACTED] Dated: 04/01/2016	N/A	N/A	PGA TSX - 40
	\$85,000 [REDACTED] Dated: 02/07/2017	N/A	N/A	PGA TSX - 40
	\$33,000 [REDACTED] Dated: 01/23/2018	N/A	N/A	PGA TSX - 40
	\$33,000 [REDACTED] Dated: 01/23/2018	N/A	N/A	PGA TSX - 40
Investor 17	Undetermined	November 2005		Storex Debenture
	\$60,000	04/20/2011 # [REDACTED]	05/06/2011	SAL Protection Plan Expansion 2011
	\$20,000	11/01/2013 # [REDACTED]	11/06/2013	SAL Protection Plan Expansion 2011
	\$70,000	# [REDACTED]	08/15/2014	PGA TSX No. 40
	\$74,900	# [REDACTED]	08/15/2014	PGA TSX No. 40
Investor 18	\$100,000	12/15/2014 # [REDACTED]	N/A	SAL Protection Plan 2014
	\$150,000	# [REDACTED]	06/15/2016	PGA TSX No. 40

1. Investor	2. Amount Invested	3. Investment Issuance Date/Number	4. Investment Effective/Confirmation Date	5. Investment Name
	\$100,000	01/05/2017 # [REDACTED]	05/15/2017	SAL Protection Plan 2017
Investor 19	\$40,000 (Scotiabank Bank [REDACTED] Dated: 04/01/2016	N/A	N/A	Tax Free Savings Account
Investor 20	\$6,500	04/30/2001 # [REDACTED]	05/05/2001	BBS-CAMECO 25 year bond
	\$30,000	06/08/2012	N/A	MILLENIUM BOND
	\$50,000	07/01/2012 # [REDACTED]	07/01/2012	IAP BOND-EXC
	\$70,000	12/12/2014 # [REDACTED]	12/12/2014	IAP BOND-EXC
	\$30,000	# [REDACTED]	12/12/2014	PGA TSX No. 50
	\$30,000	08/18/2017 # [REDACTED]	08/28/2017	BBS-CAMECO 25 year bond
Investor 21	\$20,000	08/18/2017 # [REDACTED]	08/28/2017	BBS-CAMECO 25 year bond
TOTAL LOSS TO INVESTORS for the purposes of the hearing	\$1,931,101.00			

TOTAL LOSS FROM 2001 to 2018:	\$2,603,515.00			
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Investor 1's Investments with the Respondents

5. In or about September 2013 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$20,000.00 from Investor 1 for the purpose of investing in a security identified as "BBS-CAMECO 25 Year Bond".
6. In or about August, 2015 Mullee, acting on behalf of VMF, accepted a second investment of \$5,000.00 from Investor 1 for the purpose of adding to her 2013 \$20,000.00 investment in a security identified as "BBS-CAMECO 25 Year Bond".
7. In or about September, 2017 the Respondents represented to Investor 1 that they had reinvested the \$25,000.00, as well as any interest accumulated therefrom, in "BBS-CAMECO 25 Year Bond" and sent Investor 1 an Investment Confirmation on an Equinox Financial Group letterhead confirming her reinvestment.

Investor 2's Investments with the Respondents

8. In or about August, 2014 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$100,000.00 from Investor 2 for the purpose of investing in a security identified as "Excellence". Investor 2 received an Investment Confirmation on an Industrial Alliance Financial Services Inc. letterhead from the Respondents confirming his investment.

Investors 3's Investments with the Respondents

9. In or about November, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$30,000.00 from Investor 3 for the purpose of investing in a security identified as "Wealth Co Drive for a Million". Investor 3 received an Investment Confirmation from the Respondents confirming their investment.

Investor 4's Investments with the Respondents

10. In or about September 2013 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$50,000 from Investor 4 for the purpose of investing in a security identified as "BBS-CAMECO 25 Year Bond".
11. In or about August, 2015 Mullee, acting, on behalf of VMF, accepted a second investment of \$250,000 from Investor 4 for the purpose of adding to her 2013 investment of \$50,000 in a security identified as "BBS-CAMECO 25 Year Bond".

12. In or about September, 2017 the Respondents represented to Investor 4 that they reinvested the \$300,000.00, as well as interest accumulated therefrom, and sent Investor 4 an Investment Confirmation on an Equinox Financial Group letterhead confirming her reinvestment.

Investor 5's Investments with the Respondents

13. In or about December, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$60,000.00 from Investor 5 for the purpose of investing in a security identified as a "Industrial Alliance Investment GIC" with a rate of return of 4.00% over a period of one year. Investor 5 did not receive a receipt or investment confirmation from the Respondents.

Investor 6's Investments with the Respondents

14. In or about June 21, 2014 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$50,001.00 from Investor 6 for the purpose of investing in a security identified as "IAP Bond-EXC" with a guaranteed rate of 7.5% for a period of one year. Investor 6 received an Investment Confirmation on an Industrial Alliance letterhead from the Respondents confirming his investment.
15. In or about December 01, 2014 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$50,000.00 from Investor 6 for the purpose of investing in a security identified as "IAP Bond-EXC".
16. In or about December, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$50,000.00 from Investor 6 for the purpose of investing in a security identified as "IAP Bond-EXC".
17. For the next two years Investor 6 received Investment Confirmation from the Respondents on Industrial Alliance letterhead that his investments were growing with the interest being re-invested with the principal.

Investor 7's Investments with the Respondents

18. In or about August, 2014 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$85,000.00 from Investor 7 for the purpose of investing in a security identified as "PGA TSX No. 50". Investor 7 received an Investment Confirmation on an Industrial Alliance letterhead from the Respondents confirming her investment.

Investor 8's Investments with the Respondents

19. In or around May of 2003 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$6,300.00 from Investor 8 for the purpose of investing in a security identified as "Theodore Hnatiw BBS Bond A56". In or around May, 2010 the name of this security was changed on the investment certificate produced by Mullee to "BBS Bond A56".

20. In or around July of 2009 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$25,000.00 from Investor 8 for the purpose of investing in a security identified as “Storex 18” with a rate of return of 5.75% for a period of one year. Investor 8 received an Investment Confirmation on an Industrial Alliance Pacific letterhead from the Respondents confirming his investment.
21. In or around March of 2013 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$35,000.00 from Investor 8 for the purpose of investing in a security identified as “IAP Bond-EXC” with a guaranteed rate of 6% over the period of one year. Investor 8 received an Investment Confirmation from the Respondents on an Industrial Alliance letterhead confirming his investment.
22. In or around August, 2016 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$15,500.00 from Investor 8 for the purpose of investing in a security in which he had already invested back in 2009 and identified as “Storex 18”. Investor 8 received an Investment Confirmation from the Respondents on an Industrial Alliance letterhead confirming his investment.

Investor 9’s Investments with the Respondents

23. In or around the year 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$43,700 from Investor 9 for the purpose of investing in a security identified as a “P3 Account”. In order to effect this investment, Investor 9 transferred funds from a Tax Free Savings account he had with Industrial Alliance Financial Group. Investor 9 received no confirmation from the Respondents confirming his investment but trusted Mullee since he had known Mullee for 30 years.
24. In or about April, 2018 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$25,000.00 from Investor 9 for the purpose of investing in a security identified as a “P3 account”. Investor 9 cashed in a policy he had with Manulife Financial in order to effect this investment. Investor 9 received no confirmation from the Respondents confirming his investment but continued to trust Mullee.

Investor 10 and Investor 11’s Investments with the Respondents

25. In or about June, 2015 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$15,000.00 from Investor 10 for the purpose of investing in a security identified as “BBS-CAMECO 25 Year Bond”. The interest on the principal was to be compounded annually at a rate of 4.00%. Investor 10 received an Investment Confirmation from the Respondents on an Equinox Financial Group letterhead confirming the investment.
26. In or about September 30, 2016 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$10,000.00 from Investor 10 for the purpose of investing in a security. Investor 10 did not receive an Investment Confirmation from the Respondents with respect to this investment.

27. In or about November, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$7,000.00 from Investor 10 for the purpose of investing in a security. Investor 10 did not receive an Investment Confirmation from the Respondents with respect to this investment.
28. In or about June, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$20,000.00 from Investor 11, who is the spouse of Investor 10, for the purpose of investing in a security. Investor 11 received an Investment Confirmation on Equinox Financial Group letterhead from the Respondents confirming his investment.

Investor 12's Investments with the Respondents

29. In or about September, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$23,000.00 from Investor 12 for the purpose of investing in a security identified as a "Guaranteed Investment Certificate" with an interest rate of 5.00% for three years.
30. In or about October, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$14,000.00 from Investor 12 for the purpose of investing in a security identified as a "Guaranteed Investment Certificate". Investor 12 received an Investment Confirmation on an Industrial Alliance letterhead from the Respondents confirming her two tranches of funds into this investment.

Investor 13's Investments with the Respondents

31. In or about September of 2013 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$5,000 from Investor 13 for the purpose of investing in a security identified as "BBS-CAMECO 25 Year Bond".
32. In or about November of 2013 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$32,000 from Investor 13 for the purpose of investing in a security identified as "BBS-CAMECO 25 Year Bond".
33. In or about January of 2013 Mullee, acting on behalf of VMF, accepted investment funds of \$1,000 from Investor 13 for the purpose of investing in a security identified as "BBS-CAMECO 25 Year Bond".
34. In or about November of 2014 Mullee, acting on behalf of VMF, accepted investment funds of \$1,500 from Investor 13 for the purpose of investing in a security identified as "BBS-CAMECO 25 Year Bond". Investor 13 received only one Investment Confirmation on an Equinox Financial Group letterhead from the Respondents confirming his investment of funds in the BBS-CAMECO 25 Year Bond. In this investment certificate the first investment of \$5,000 was incorrectly stated as being \$7,057.16.
35. In or about January 28, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$10,000 from Investor 13 for the purpose of investing in a

security identified as “BBS Bond A56”. Investor 13 received an Investment Confirmation on an Equinox Financial Group letterhead from the Respondents confirming his investment of funds.

Investor 14’s Investments with the Respondents

36. In or about September 14, 2015 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$100,000.00 from elderly Investor 14 for the purpose of investing in a security identified as a “Guaranteed Investment Certificate” which was to earn 4.00% interest per year. Investor 14 received an Investment Confirmation on an Equinox Financial Group letterhead from the Respondents confirming her investment.

Investor 15’s Investments with the Respondents

37. In or about May, 2018 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$50,000.00 from Investor 15 for the purpose of investing in a security. Investor 14 received no Investment Confirmation receipt or any kind of receipt from The Respondents whatsoever.

Investor 16’s Investments with the Respondents

38. Between June of 2005 and February of 2014 Mullee, acting on behalf of VMF, accepted \$329, 615.00 in investment funds from Investor 16 for the purpose of investing in a security which Investor 16 thought was a security “tied to the stock exchange” that guaranteed the principal of his investment. Investor 16 received Investment Confirmations from the Respondents that represented the investments as PGA TSX; PGA TSX 40 or PGA TSX 40-2 but none of the dates or amounts reflected the cheques Investor 15 had given the Respondents.
39. Between August 2014 to 2018 Mullee, acting on behalf of VMF, accepted \$256,000 in investment funds from Investor 16 for the purpose of investing in a security which Investor 16 thought was a security “tied to the stock exchange” that guaranteed the principal of his investment. Investor 16 received Investment Confirmations from the Respondents that represented the investments as PGA TSX; PGA TSX 40 or PGA TSX 40-2 but none of the dates or amounts reflected the cheques Investor 15 had given the Respondents.

Investor 17’s Investments with the Respondents

40. In or about November of 2005 Mullee, acting on behalf of VMF, accepted investment funds from Investor 17 for the purpose of investing in a security identified as “Storex 20”.
41. In or about April of 2011 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$60,000 from Investor 17 for the purpose of investing in a security identified as “SAL Protection Plan Expansion 2011”. The security was to mature on April 20, 2014 with a value of \$82, 051.20. Investor 17 received an

Investment Confirmation on an Investment Alliance Pacific letterhead from the Respondents to confirm this investment.

42. In or about November of 2013 Mullee, acting on behalf of VMF, accepted investment fund in the amount of \$20,000 from Investor 17 for the purpose of investing in a security identified as “SAL Protection Plan Expansion 2011”. The security was to mature on October 31, 2016 with a value of \$27, 350.40. Investor 17 received an Investment Confirmation on an Industrial Alliance Pacific letterhead from the Respondents to confirm this investment.
43. In or about August, 2014 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$70,000.00 from Investor 17 for the purpose of investing in a security identified as “PGA TSX No. 40” with a guaranteed interest rate of 7.00%. Investor 17 received an Investment Confirmation on an Industrial Alliance letterhead from the Respondents to confirm his investment.
44. In or about January, 2016 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$74,900.00 from Investor 17 for the purpose of investing in a security identified as “PGA TSX No. 40” with a guaranteed interest rate of 7.00%. Investor 17 received an Investment Confirmation on an Industrial Alliance letterhead from the Respondents to confirm his investment.
45. In or about May, 2017 Mullee, acting on behalf of VMF, arranged for Investor 17 to withdraw \$60,000.00 from his investment in the security identified as “Sal Protection Plan Expansion 2011” by selling that portion of his investment to Investor 18, Investor 16’s son.

Investor 18 Investments with the Respondents

46. In or around December, 2015 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$100,000.00 from a transfer from Investor 17 to Investor 18 for the purpose of investing in a security identified as “Sal Protection Plan Expansion 2014”.
47. In or about June of 2016 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$100,000.00 from Investor 18 for the purpose of investing in a security identified as “Sal Protection”. Investor 18 received an Investment Confirmation on an Industrial Alliance Pacific General letterhead from the Respondents confirming his investment.
48. In or about May of 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$150,000.00 from Investor 18 for the purpose of investing in a security identified as “PGA-TSX-40”. Investor 18 received an Investment Confirmation on an Industrial Alliance Insurance and Financial Services letterhead from the Respondents confirming their investment.

Investor 19's Investments with the Respondents

49. In or about April 01, 2016 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$40,000.00 from Investor 19 for the purpose of investing in a security identified as a "Tax Free Savings Account". Investor 19 received no receipt or confirmation from the Respondents that her money had been invested accordingly.

Investor 20 and Investor 21's Investments with the Respondents

50. In or about April of 2001 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$6,500 from Investor 20 for the purpose of investing in a security identified as "BBS-CAMECO 25 Year Bond". Investor 20 received an Investment Confirmation on an Industrial Alliance Pacific letterhead from the Respondents confirming her investment.
51. In or about June of 2012 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$30,000 from Investor 20 for the purpose of investing in a security identified as "Millenium Bond". Investor 20 was directed by Mullee, acting on behalf of VMF, to sign an "IAG Savings and Retirement Plan Application" on an Industrial Alliance Pacific letterhead with respect to this investment.
52. In or about July of 2012 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$50,000 from Investor 20 for the purpose of investing in a security identified as "IAP Bond-EXC" with a rate of return of 6% for a period of one year. Investor 20 received an Investment Confirmation on an Industrial Alliance letterhead from the Respondents confirming her investment.
53. In or about December, 2014 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$70,000.00 from Investor 20 for the purpose of investing in a security identified as "IAP Bond-EXC" with a rate of return of 5.00% for a period of one year. Investor 20 received an Investment Confirmation on an Industrial Alliance Excellence Life Insurance Company letterhead from the Respondents confirming her investment. Investor 20 was directed by Mullee, acting on behalf of VMF, to sign an "IAG Savings and Retirement Plan Application" on an Industrial Alliance letterhead relating to this investment dated December 12, 2014.
54. In or about December, 2014 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$30,000.00 from Investor 20 for the purpose of investing in a security identified as "PGA TSX No. 50" with a guaranteed interest rate of 2.00%. Investor 20 received an Investment Confirmation on an Industrial Alliance letterhead confirming her investment. Investor 20 was directed by Mullee, acting on behalf of VMF, to sign an "IAG Savings and Retirement Plan Application" on an Industrial Alliance letterhead relating to this investment dated December 12, 2014.

55. In or about August, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$30,000.00 from Investor 20 for the purpose of investing in a security identified as “BBS-Cameco 25 Year Bond”. Interest was to be compounded annually at 5.00% for one year. Investor 23 received an Investment Confirmation on an Equinox Financial Group letterhead from the Respondents confirming the investment.
56. In or about August, 2017 Mullee, acting on behalf of VMF, accepted investment funds in the amount of \$20,000.00 from Investor 21, spouse of Investor 20, for the purpose of investing 20,000.00 in a security identified as “BBS-Cameco 25 Year Bond”. Interest was to be compounded annually at 5.00% for one year. Investor 19 received an Investment Confirmation on an Equinox Financial Group letterhead from the Respondents to that effect.

With respect to all 21 Investors:

57. The securities sold to the Investors by the Respondents and listed in the fifth column of the table above do not exist. If legitimate investments were recommended to an investor, such as a GIC or a tax free saving account (possibly in the case of Investors 5, 12, 14 and 19), the Respondents failed to invest the Investors’ funds accordingly. The Respondents, without informing the Investors, used some or all of the Investors’ investment funds for purposes other than the purposes understood by each Investor and as instructed by the Investor.
58. Over the years, the Respondents represented to a majority of the Investors that they had re-invested the Investors’ investment funds, as well as any interest accumulated therefrom, and sent false Investment Confirmations on an Industrial Alliance letterhead to confirm these reinvestments.
59. The Respondents made misleading and untrue statements to all the Investors that the security they thought they had purchased or invested in was a real security, and that the Investors’ funds would be invested in the security, GIC certificate or tax free savings account. These statements were material to the Investors’ decision to invest in the security in the first place.
60. The Respondents knew or ought to have known that these statements were misleading or untrue in a material respect and at the time and in the light of the circumstances under which they were made. The Respondents knew or ought to have known that the securities in the fifth column of the table above did not exist.
61. The sale of non-existent securities and the failure to invest the funds of the Investors were prohibited acts which resulted directly in the deprivation to all the Investors of their investment funds. The Respondents knew or reasonably ought to have known that the sale of non-existent securities listed in the fifth column of the table above and a failure to invest Investor funds as instructed were prohibited acts, and that the prohibited acts would result in direct deprivation on the part of the Investors.

62. None of the sales of the non-existent securities as identified in the fifth column of the table were put through the dealer to which Mullee was registered to act on behalf of and therefore the Respondents were not registered as a dealer and were not acting on behalf of a registered dealer when they made these trades.
63. The Respondents' misrepresentations to the Investors and the fraudulent use of the Investors' investment funds were not discovered until in or around July of 2018, which was the last material event on which the proceedings related to the Investors are based.

Contraventions of paragraphs 27(2)(a), subsections 55.1(a), 55.1(b), and 55.11(1) of The Securities Act, 1988

64. During the Relevant Time and with respect to their actions involving Investors 1 through 21, the Respondents acted as dealers as defined by subsection 2(1) of *The Securities Act, 1988* (the "Act") by holding out that they were engaging in the business of trading in securities or derivatives, and they were not registered to carry out these trades in contravention of subsection 27(2)(a) of the Act.
65. During the Relevant Time and with respect to their actions involving Investors 1 through 21, the Respondents held out that they were engaged in or participating in acts, practices, or courses of action relating to securities or derivatives or underlying interests in derivatives that they knew or reasonably ought to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for, a security or a derivative or an underlying interest in a derivative in contravention of subsection 55.1(a) of the Act.
66. During the Relevant Time and with respect to their actions involving Investors 1 through 21, the Respondents engaged or participated in acts, practices, or courses of action relating to securities or derivatives or underlying interests in derivatives that they knew or reasonably ought to have known perpetrated a fraud on a person or company in contravention of subsection 55.1(b) of the Act.
67. During the Relevant Time and with respect to their actions involving Investors 1 through 21, the Respondents made statements that they knew or reasonably ought to have known were misleading or untrue in a material respect in contravention of subsection 55.11(1) of the Act

ORDERS SOUGHT

68. Based on the above, Staff of FCAA ask a panel of the FCAA appointed pursuant to section 17 of *The Financial and Consumer Affairs Authority of Saskatchewan Act* (**Panel**) to consider whether it is in the public interest to make the following orders:

- a. Pursuant to paragraph 134(1)(a) of the Act, all of the exemptions in Saskatchewan securities laws do not apply to the Respondents, permanently;
- b. Pursuant to paragraph 134(1)(d) of the Act, the Respondents shall cease trading in any securities and derivatives in Saskatchewan, permanently;
- c. Pursuant so paragraph 134(1)(d.1) of the Act, the Respondents shall cease acquiring securities and derivatives for and on behalf of residents of Saskatchewan, permanently;
- d. Pursuant to paragraph 134(1)(e) of the Act, the Respondents shall cease giving advice respecting securities, derivatives, and trades thereof in Saskatchewan, permanently;
- e. Pursuant to subparagraph 134(1)(h)(i) of the Act, Mullee shall resign any position that he holds as a director or officer of an issuer, a registrant, or an investment fund manager;
- f. Pursuant to subparagraph 134(1)(h)(ii) of the Act, Mullee is prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, permanently;
- g. Pursuant to subparagraph 134(1)(h)(iii) of the Act, Mullee shall not be employed by any issuer, registrant, or investment fund manager in any capacity that would entitle him to trade or advise in securities or derivatives, permanently;
- h. Pursuant to paragraph 134(1)(h.1) of the Act, the Respondents are prohibited from becoming or acting as a registrant, an investment fund manager, or a promoter, permanently;
- i. Pursuant to section 135.1 of the Act, the Respondents shall, jointly and severally, pay an administrative penalty to the FCAA in the amount of \$100,000.00;
- j. Pursuant to section 135.6 of the Act, the Respondents shall, jointly and severally, pay financial compensation to each person or company found to have sustained financial loss caused in whole or in part by contraventions of Saskatchewan securities laws committed by the Respondents, in amounts to be determined; and

- k. Pursuant to section 161 of the Act, the Respondents shall, jointly and severally, pay shall pay the costs of or relating to the hearing of this matter.

DATED at Regina, Saskatchewan, this 25th day of June, 2020.

“Dean Murrison”

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