

IN THE MATTER OF THE
SECURITIES ACT, R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("Act")

- and -

IN THE MATTER OF TERRANCE NORMAN ("Respondent")

ORDER

(Sections 134, 135, 135A, and 136A)

WHEREAS on July 5, 2019, the Nova Scotia Securities Commission issued a Notice of Hearing to the Respondent pursuant to sections 134, 135, 135A, and 136A of the Act;

AND WHEREAS the Respondent entered into a Settlement Agreement with the Director of Enforcement for the Commission whereby he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS the Director of Enforcement and the Respondent recommend approval of the Settlement Agreement;

AND WHEREAS the Commission finds that the Respondent has contravened Nova Scotia securities laws and it is in the public interest to make this Order;

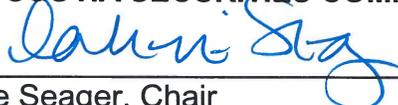
AND UPON reviewing the Settlement Agreement and hearing the submissions of counsel for the Director of Enforcement and counsel for the Respondent;

IT IS HEREBY ORDERED that:

1. The Settlement Agreement dated June 28, 2019, a copy of which is attached, is approved;
2. Pursuant to section 134(1)(a)(i) of the Act, the Respondent shall comply with Nova Scotia securities laws;
3. Pursuant to sections 135(a) and 135(b) of the Act, the Respondent shall forthwith pay an administrative penalty in the amount of four thousand five hundred dollars (\$4,500.00);
4. Pursuant to section 135A of the Act, the Respondent shall forthwith pay costs in the amount of five hundred dollars (\$500.00) in connection with the investigation and conduct of this proceeding; and
5. Pursuant to 136A of the Act, the Respondent shall, within one year from the date of this Order, complete a course/program for directors and officers of issuers that is acceptable to Commission staff.

DATED August 15, 2019, at Halifax, Nova Scotia.

NOVA SCOTIA SECURITIES COMMISSION



Valerie Seager, Chair

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SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The parties to this Settlement Agreement ("Agreement") are the Respondent and the Director of Enforcement for the Nova Scotia Securities Commission ("Commission").
2. The parties agree that the Commission has jurisdiction over this matter.
3. The parties agree to recommend to the Commission approval of this Agreement in accordance with the terms and process set out herein.

PART II – PROCEDURE FOR APPROVAL OF THE AGREEMENT

4. The Director of Enforcement agrees to request that a Notice of Hearing be issued setting down a hearing ("Settlement Hearing") wherein the Commission will consider whether it is in the public interest to approve this Agreement and to issue the Order in the form attached as **Schedule "A"**.
5. The parties agree that the Agreement constitutes the entirety of evidence to be submitted to the Commission at the Settlement Hearing.
6. The Director of Enforcement agrees to recommend that the allegations acknowledged and admitted by the Respondent be resolved and disposed of in accordance with this Agreement.
7. The parties acknowledge that this Agreement will become a public document upon its approval by the Commission at the Settlement Hearing.

PART III – STATEMENT OF AGREED FACTS

8. The Director of Enforcement and the Respondent agree with the facts and conclusions set out in this Agreement.

Background:

9. The Respondent is a resident of Halifax, Nova Scotia.

10. The Respondent is the President, Chief Executive Officer, and a Director of Scotian Wind Inc.
11. Scotian Wind Inc. is a limited liability company with registered office located at Halifax, Nova Scotia.
12. Scotian Wind Inc. has been a community economic-development corporation pursuant to the *Community Economic-Development Corporation Regulations* since July 3, 2012.
13. The Respondent is compensated by Scotian Wind Inc. for his services.
14. In addition to the positions he holds with Scotian Wind Inc., the Respondent is employed as an officer by another community economic-development corporation and as a director by a third community economic-development corporation.

Illegal Distributions:

15. On December 18, 2017, the Respondent obtained a shareholder loan in the amount of \$80,000.00 from a corporate investor on behalf of Scotian Wind Inc.
16. On February 22, 2018, the Respondent obtained a shareholder loan in the amount of \$70,000.00 from the same corporate investor on behalf of Scotian Wind Inc.
17. On March 21, 2018, the Respondent obtained a loan in the amount of \$50,000.00 from a charitable entity on behalf of Scotian Wind Inc.
18. On May 15, 2018, the Respondent obtained a shareholder loan in the amount of \$50,000.00 from another corporate investor on behalf of Scotian Wind Inc.
19. The above-noted four loans issued by the Respondent on behalf of Scotian Wind Inc. constituted distributions of securities under Nova Scotia securities laws.
20. As a result of distributing securities to investors in Nova Scotia without having filed a prospectus or preliminary prospectus and without relying on exemptions in Nova Scotia securities laws, the Respondent violated section 58(1) of the Act.

Breach of Commission Order:

21. The Respondent was the subject of a prior Commission Order issued June 29, 2016 for violations of parts a)1), a)2), and c) of Blanket Order 45-523, sections 8(2), 15(2), 15(3), and 17 of the *Community Economic-Development Corporation Regulations*, and sections 4A.3 and 4B.2 of National Instrument 51-102 Continuous Disclosure Obligations.
22. The June 29, 2016 Commission Order included a term that the Respondent comply with Nova Scotia securities laws.

23. By illegally distributing securities of Scotian Wind Inc., the Respondent breached the June 29, 2016 Commission Order.
24. By breaching the terms of the June 29, 2016 Commission Order, the Respondent violated Nova Scotia securities laws.

Public Interest:

25. The Respondent's conduct was contrary to the public interest and undermined investor confidence in the fairness and efficiency of the public markets.

PART IV – STATEMENT OF ALLEGATIONS ACKNOWLEDGED AND ADMITTED BY THE RESPONDENT

26. The Respondent acknowledges and admits that he violated section 58(1) of the Act.
27. The Respondent acknowledges that his actions undermined investor confidence in the fairness and efficiency of capital markets in Nova Scotia and were contrary to the public interest.
28. The Respondent admits the facts set forth in Part III herein and acknowledges that he violated the Act.

PART V – MITIGATING FACTORS

29. The Respondent acknowledges and accepts responsibility for his conduct which is the subject matter of this Agreement.
30. The Respondent cooperated with the investigation of this matter.
31. The violations of the Act set out in this Agreement were unintentional.
32. Each of the lenders had prior knowledge of the Respondent and the business of Scotian Wind Inc. through business or personal connections.
33. Each of the investments was intended to be a temporary arrangement pending a larger private placement of bonds by Scotian Wind Inc.
34. After the Respondent became aware of the violations of the Act set out in this Agreement, he rescinded the March 21 and May 15, 2018 distributions. Both investors were fully reimbursed, with interest.
35. The corporate investor referred to at paragraphs 15 and 16 of this Agreement voluntarily converted its two loans into bonds of Scotian Wind Inc. under the minimum amount exemption at section 2.10 of National Instrument 45-106 Prospectus Exemptions. The Respondent, on behalf of Scotian Wind Inc., properly reported this to the Commission at the time of the conversion.

PART VI – TERMS OF SETTLEMENT

36. The terms of settlement are set forth in the Order contained in **Schedule “A”** to this Agreement which is expressly incorporated herein.
37. The Respondent consents to the Order contained in **Schedule “A”**.

PART VII – COMMITMENTS

38. If this Agreement is approved and the Order as set out in **Schedule “A”** is granted, the parties agree to waive any right to a full hearing and judicial review and appeal of this matter.
39. If this Agreement is approved by the Commission, the parties will not in any way make any statement, public or otherwise, that is inconsistent with the terms of this Agreement.
40. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement as set out in the Order attached as **Schedule “A”**.
41. If, for any reason whatsoever, this Agreement is not approved, or the Order set forth in **Schedule “A”** is not granted by the Commission:
 - a. The Director of Enforcement and the Respondent will be entitled to proceed to a hearing of the allegations which are the subject matter of this Agreement unaffected by the Agreement or the settlement negotiations;
 - b. The terms of the Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of the Director of Enforcement and the Respondent or as may otherwise be required by law; and
 - c. The Respondent agrees that he will not raise in any proceeding the Agreement or the negotiations or process of approval thereof as a basis of any attack or challenge of the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.
42. The Respondent acknowledges that the Director of Enforcement has the discretion to withdraw from this Agreement if additional facts or issues are discovered that cause him to conclude that it would not be in the public interest to request approval of this Agreement. In the event of such withdrawal, notice will be provided to the Respondent in writing and the provisions of paragraph 41 of this Agreement will apply.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

43. The Director of Enforcement or the Respondent may refer to any or all parts of this Agreement as required by Rule 15-501 – General Rules of Practice and Procedure and in the course of the Settlement Hearing. Otherwise, this Settlement Agreement and its

terms will be treated as confidential by all parties to it until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

44. This Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

DATED at Halifax, Nova Scotia, this 20th day of JUNE 2019.

SIGNED, SEALED AND DELIVERED

In the presence of:



Witness (Print name under signature)
DALE ROBERTSON



Terrance Norman

DATED at Halifax, Nova Scotia, this 28th day of JUNE 2019.

SIGNED, SEALED AND DELIVERED

In the presence of:



Witness (Print name under signature)
WILLIAM McDONALD



~~H. Jane Anderson~~ **STEPHANIE ATKINSON**
~~Executive Director~~ **ACTING DIRECTOR OF ENFORCEMENT**
Nova Scotia Securities Commission

SCHEDULE "A"

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4. Pursuant to section 135A of the Act, the Respondent shall forthwith pay costs in the amount of five hundred dollars (\$500.00) in connection with the investigation and conduct of this proceeding; and

