

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

- AND -

IN THE MATTER OF GLIDEPATH PORTFOLIO SERVICES INC. (the “Respondent”)

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The parties to this Settlement Agreement (“**Agreement**”) are the Respondent, Glidepath Portfolio Services Inc. (the “**Respondent**” or “**Glidepath**”) and the Director of Enforcement for the Nova Scotia Securities Commission (the “**Director of Enforcement**”).
2. The parties agree that the Nova Scotia Securities Commission (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 an Order in the form attached hereto as Schedule “A”.
5. The parties agree that this 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**

**Acknowledgment**

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

### The Respondent

9. Glidepath is registered in Nova Scotia as an extra-provincial corporation, incorporated pursuant to the *Canada Business Corporations Act*. Glidepath's registered head office is located at Suite 31-103, 150 King Street West, Toronto, Ontario.
10. Glidepath is a portfolio management firm. Glidepath has been registered as a portfolio manager with the Ontario Securities Commission since 2003. Glidepath's current ownership and management took over the firm in 2016.
11. At no time has Glidepath ever been registered in any capacity with the Commission.
12. At all material times, Glidepath's services to its clients have been purely advisory and portfolio management services. Glidepath does not act as a dealer. The investment accounts of Glidepath's clients are held with an investment dealer that was at all material times registered as an investment dealer with the Commission.

### Unregistered Activity

13. On November 30, 2020, Glidepath entered into an agreement with a Nova Scotia-based referring party (the "**Referring Party**") pursuant to which Glidepath accepted referrals of clients from the Referring Party in exchange for a service fee.
14. Pursuant to that agreement, Glidepath became the portfolio manager for a total of 85 clients located in Nova Scotia (collectively, the "**Nova Scotia Clients**"). The Nova Scotia Clients were added as clients of Glidepath during a period spanning November 2020 and February 2021.
15. During the time that Glidepath has been the portfolio management firm for the Nova Scotia Clients, Glidepath has been providing advising services to the Nova Scotia Clients with respect to investing in, and buying and selling of securities, and has placed numerous trades in securities in the Nova Scotia Clients' investment accounts.
16. On December 1, 2022, Commission Compliance Staff contacted the Respondent, notifying the Respondent that it was conducting registrable activity in Nova Scotia without appropriate registration in violation of Nova Scotia securities laws, and directed the Respondent to file daily trade reports with Commission Compliance Staff. The Respondent complied with this direction.
17. On February 28, 2023, Commission Compliance Staff contacted the Respondent and directed that the Respondent must transfer all 85 of its clients located in Nova Scotia to a firm appropriately registered with the Commission no later than April 28, 2023. The Respondent complied with this direction by April 28, 2023.

### **Violations of Nova Scotia Securities Laws**

18. By providing advising services to 85 clients located in Nova Scotia without registration, the Respondent acted as an adviser without being registered to do so in violation of Sections 31(2)(a), 31(2)(b), and 31(4) of the Act.

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

19. The Respondent admits the facts set forth in Part III herein and acknowledges that it violated Nova Scotia securities laws.
20. The Respondent acknowledges and admits that it violated Sections 31(2)(a), 31(2)(b), and 31(4) of the Act.
21. The Respondent acknowledges and admits that its actions were contrary to the public interest.

### **PART V - MITIGATING FACTORS**

22. The Respondent requests that the settlement Hearing Panel consider the following mitigating circumstances:
  - a) The Respondent acknowledges and accepts responsibility for its conduct, which is the subject matter of this Agreement.
  - b) The Respondent cooperated with the investigation of this matter.
  - c) The Respondent has no past record of violations of Nova Scotia securities laws.
  - d) The Respondent states that it mistakenly believed that it was permitted to service the Nova Scotia Clients referred to it by the Referring Party under relevant mobility rules and states that its admitted breaches under this Agreement were not intentional but were based on a mistaken understanding of the relevant requirements.
  - e) The Respondent states that it has sought legal and compliance advice and now understands that its actions were a violation of Nova Scotia securities laws, and it is committed to ensuring future compliance with such laws.
  - f) The Respondent states that it did not, at any time, directly seek out Nova Scotia clients or market its services directly to clients located in Nova Scotia, and that the Nova Scotia clients came to Glidepath through its agreement with the Referring Party.
  - g) The Respondent has taken steps to seek registration with the Commission.

- h) The Respondent has complied with the directions of Compliance Staff of the Commission regarding the filing of daily trade reports upon discovery of the unregistered activity and the transfer of all Nova Scotia clients to a firm appropriately registered with the Commission.
- i) The Nova Scotia Clients have not made any complaints regarding their investment accounts with Glidepath.
- j) There is no evidence or allegation that any investor was harmed as a result of the breaches described herein.

#### **PART VI – TERMS OF SETTLEMENT**

- 23. The terms of settlement are set forth in the Order contained in Schedule “A” to this Agreement which is expressly incorporated herein.
- 24. The Respondent consents to the Order contained in Schedule “A”.
- 25. The terms of the settlement as set out in the Order contained in Schedule “A” are as follows:
  - i. the settlement agreement dated \_\_\_\_\_, 2023, a copy of which is attached, is approved;
  - ii. pursuant to Section 134(h) of the Act, the Respondent is reprimanded;
  - iii. pursuant to Section 134(1)(a) of the Act, the Respondents shall comply with, and cease contravening Nova Scotia securities laws;
  - iv. pursuant to Section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of Forty-five Thousand dollars (\$45,000.00); and
  - v. pursuant to Section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of Two Thousand dollars (\$2,000.00) forthwith.

#### **PART VII – COMMITMENTS**

- 26. 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.
- 27. 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.

28. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement.
29. 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 negotiations, the terms of this Agreement, and this 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 it 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.
30. The Respondent acknowledges that the Director of Enforcement has the discretion to withdraw from this Agreement if, prior to the approval of this Agreement by the Commission in the view of the Director of Enforcement, additional facts or issues are discovered that cause her 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 Respondent in writing. In the event of such notice being given, the provisions of paragraph 29 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

#### **PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

31. 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**

32. This Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile or electronic copy of any signature shall be as effective as an original signature.
33. The Respondent acknowledges that Orders made by the Commission may form the basis for parallel Orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow Orders made in this matter to take effect in those other jurisdictions automatically without notice to the Respondent.

[signature page follows]

DATED at Toronto, Ontario, this 22 day of June , 2023

SIGNED, SEALED AND DELIVERED in the presence of: )

Glidepath Portfolio Services Inc. )

DocuSigned by: Scott Baker )

DocuSigned by: )

Witness: Scott Baker )

Per: Ron Fox )

DATED at Halifax, Nova Scotia, this 28 day of JUNE . , 2023

SIGNED, SEALED AND DELIVERED in the presence of: )

Witness: )

Witness: )

Marlene E. Bucci  
A Commissioner of the  
Supreme Court of Nova Scotia

)

Stephanie Atkinson  
Director of Enforcement  
Nova Scotia Securities Commission

**SCHEDULE "A"**

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

- AND -

IN THE MATTER OF GLIDEPATH PORTFOLIO SERVICES INC. (the "Respondent")

**ORDER**

(Sections 134, 135, 135A)

**WHEREAS** on \_\_\_\_\_, 2023 the Nova Scotia Securities Commission (the "Commission") issued a Notice of Hearing to the Respondent pursuant to Sections 134, 135 and 135A of the Act;

**AND WHEREAS** the Respondent entered into a settlement agreement with the Director of Enforcement for the Commission, whereby it agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

**AND WHEREAS** the Director of Enforcement and the Respondent recommended approval of the settlement agreement;

**AND WHEREAS** the Commission is of the opinion 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 the Notice of Hearing, and upon hearing submissions of counsel for the Director of Enforcement and the Respondent;

**IT IS HEREBY ORDERED**, pursuant to Sections 134, 135 and 135A of the Act, that:

1. the settlement agreement dated \_\_\_\_\_, 2023, a copy of which is attached, is approved;
2. pursuant to Section 134(h) of the Act, the Respondent is reprimanded;
3. pursuant to Section 134(1)(a) of the Act, the Respondents shall comply with, and cease contravening Nova Scotia securities laws;
4. pursuant to Section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of Forty-five Thousand dollars (\$45,000.00); and
5. pursuant to Section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of Two Thousand dollars (\$2,000.00) forthwith.

DATED at Halifax, Nova Scotia, this \_\_\_\_ day of \_\_\_\_\_, 2023.

NOVA SCOTIA SECURITIES COMMISSION

\_\_\_\_\_

(Chair)