

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

- AND -

IN THE MATTER OF
RUSSEL DAN KEOGAN ("Respondent")

ORDER
(Section 135)

WHEREAS on January 4, 2007, the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing to the Respondent pursuant to section 135 of the Act;

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the Commission ("Staff") whereby it agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS Staff recommended approval of the settlement agreement;

AND WHEREAS the Commission is of the opinion that the Respondent has contravened the Act or the regulations 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 Staff and the Respondent on his own behalf;

IT IS HEREBY ORDERED, pursuant to section 135 of the Act, that:

1. the settlement agreement dated December 13, 2006, a copy of which is attached, is approved; and
2. the Respondent shall pay an administrative penalty in the amount of five thousand dollars (\$5,000.00) forthwith.

DATED at Halifax, Nova Scotia, this 25th day of January, 2007.

NOVA SCOTIA SECURITIES COMMISSION

__"R. Daren Baxter"_____
R. Daren Baxter
Vice-Chairman

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

- AND -

IN THE MATTER OF
Russel Dan Keogan ("Keogan")

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. By Notice of Hearing dated _____, 2006 ("Notice of Hearing"), the Nova Scotia Securities Commission ("Commission") announced that it proposed to hold a hearing to consider whether, pursuant to section 135 of the Act, in the opinion of the Commission, it is in the public interest for the Commission to:
 - a. Approve this settlement agreement;
 - b. Make a determination pursuant to section 135(a) of the Act that Keogan has contravened the Act or its regulations; and
 - c. Make an order pursuant to section 135(b) that Keogan pay an administrative penalty in the amount of five thousand dollars (\$5,000.00) forthwith.

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agrees to recommend settlement of the proceedings initiated in respect of Keogan by the Notice of Hearing in accordance with the terms and conditions set out below. Keogan agrees to the settlement on the basis of the facts agreed to as hereinafter provided and consents to the making of an Order, in the form attached as Schedule "A", on the basis of the facts set out below in respect to the violations of the Act.

PART III – STATEMENT OF FACTS

Acknowledgment

3. Staff and Keogan agree with the facts and conclusions set out in this Part of this Settlement Agreement ("Agreement").

RK
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Introduction

4. CST Consultants Inc. ("CST") is an extra provincial corporation located in Don Mills, Ontario and is registered as a Scholarship Plan Dealer with the Commission.
5. Keogan is a resident of Dartmouth, Nova Scotia.
6. Keogan held registration with the Commission as a salesperson for CST from December 12, 2002 until December 12, 2005.

Facts

7. In October, 2003, Keogan opened a CST scholarship plan account ("2003 Account") for Scott and Heidi Sim ("the Sims").
8. In August, 2005, Keogan opened a second CST scholarship plan account ("2005 Account") for the Sims.
9. In opening the 2005 Account, Keogan used the banking information on file from the application for the 2003 Account, and he signed each of the Sims' names to the application without their authorization.
10. Keogan failed to deal fairly, honestly and in good faith with the Sims, thereby contravening s. 61 of the General Securities Rules.

Mitigating Factors

11. Keogan fully cooperated with Staff's investigation of this matter. Keogan never denied that he violated the Act.
12. Keogan acknowledges and accepts responsibility for his conduct which is the subject matter of Staff's allegations.
13. Pursuant to section 31(2) of the Act, Keogan's registration with the Commission is currently suspended. Keogan's registration will remain suspended until the Director receives notice of employment from a dealer and reinstatement is approved by the Director.

Conduct Contrary to the Public Interest

14. In summary, during material times Keogan's actions violated Nova Scotia securities laws and were contrary to the public interest. Keogan's conduct was detrimental to the integrity and efficiency of the capital markets in Nova Scotia and was prejudicial to the interests of its Nova Scotian investors.

RIC
RHO

PART IV – POSITION OF KEOGAN

15. Keogan admits the facts set forth in Part III herein and acknowledges that he violated the Act.

PART V – TERMS OF SETTLEMENT

16. The terms of settlement are set forth in the order contained in Schedule "A" to this Agreement which is expressly incorporated herein.

PART VI – COMMITMENTS

17. If this Agreement is approved by the Commission, Staff will not initiate any further proceedings before the Commission related to those facts set out in Part III of this Agreement in accordance with the procedures described herein.
18. If this Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting Keogan in this matter and Keogan agrees to waive any right to a full hearing and appeal of this matter under the Act.
19. If this Agreement is approved by the Commission, the parties to this Agreement will not make any statement that is inconsistent with the Agreement.
20. If this Agreement is approved by the Commission, Keogan shall abide by all terms of this Agreement in accordance with the Order set forth in Schedule "A".
21. If, for any reason whatsoever, this Agreement is not approved by the Commission, or the Order set forth in Schedule "A" is not made by the Commission:
 - a. Each of Staff and Keogan will be entitled to proceed to a hearing of the allegations in the Notice of Hearing and related Statement of Allegations 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 Staff and Keogan or as may otherwise be required by law; and
 - c. Keogan 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.

RH RK

22. If, in the view of Staff and prior to the approval of this Agreement by the Commission, there are new facts or issues of substantial concern regarding the facts set out in Part III of this Agreement, Staff will be at liberty to withdraw from this Agreement. Notice of such intention will be provided to Keogan in writing. In the event of such notice being given, the provisions of paragraph 21 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

VIII DISCLOSURE OF SETTLEMENT AGREEMENT

23. Staff or Keogan may refer to any or all parts of this Agreement in the course of the hearing convened to consider this Agreement. 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.

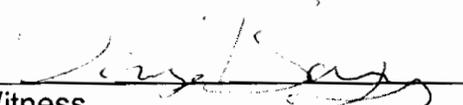


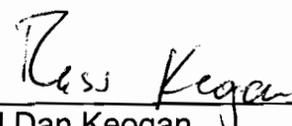
IX EXECUTION OF SETTLEMENT AGREEMENT

24. 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 this 10 day of ~~November~~ ^{December}, 2006.

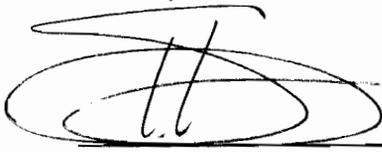
SIGNED, SEALED AND DELIVERED
In the presence of:


Witness


Russel Dan Keogan

Dated this 13th day of ~~November~~ ^{December}, 2006.

SIGNED, SEALED AND DELIVERED
In the presence of:


Witness

Staff of the Nova Scotia Securities
Commission

Per: 
R. Scott Peacock
Deputy Director
Compliance and Enforcement
Nova Scotia Securities Commission

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SCHEDULE "A"

IN THE MATTER OF THE SECURITIES ACT
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Russel Dan Keogan ("Respondent")

ORDER
(Sections 135)

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IT IS HEREBY ORDERED, pursuant to section 135 of the Act, that:

1. the settlement agreement dated _____, 2006, a copy of which is attached, is approved; and
2. pursuant to section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of five thousand dollars (\$5,000.00) forthwith.

DATED at Halifax, Nova Scotia, this _____ day of _____, 2006.

NOVA SCOTIA SECURITIES COMMISSION

(Chairman)

RB

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