

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

- AND -

IN THE MATTER OF
Investors Group Financial Services (“IG”)

STATEMENT OF ALLEGATIONS

Staff of the Nova Scotia Securities Commission (“Commission”) make the following allegations:

1. IG is incorporated under the Canada Business Corporations Act and is extra-provincially registered to carry on business in Nova Scotia.
2. IG was granted registration by the Commission as a mutual fund dealer on January 1, 1992.
3. Les Services Investors Limitée (“LSIL”), an affiliate of IG, was registered as a financial services firm with the Autorité des marchés financiers in Quebec. LSIL merged with IG effective January 1, 2006.
4. LSIL never held registration with the Commission.
5. Beginning in 1997 up to and including 2006, LSIL sold securities in Nova Scotia to 17 clients without registration thereby violating Section 31 of the Act.
6. Between November, 2004 and September, 2005, IG failed to notify the Commission within five business days that five of its salespersons were terminated, thereby contravening Section 39(1)(c) of the Act. In particular:
 - a. Rae Tench, registered with the Commission at the time as a salesperson with IG, was terminated by IG effective October 31, 2004. The Commission was notified of this termination on November 24, 2004.
 - b. Roderick Trotman, registered with the Commission at the time as a salesperson for IG, was terminated by IG effective July 4, 2005. The Commission was notified of this termination on July 21, 2005.
 - c. Kevin Marshall, registered with the Commission at the time as a salesperson with IG, was terminated by IG effective August 2, 2005. The Commission was notified of this termination on September 6, 2005.

- d. Ronald Boivon and Thomas Scott, both registered with the Commission at the time as salespersons with IG, were terminated by IG effective August 4, 2005. The Commission was notified of these terminations on September 6, 2005.
7. Bryant Clarke ("Clarke") was registered with the Commission as a salesperson for IG on August 31, 2002. Clarke's registration was suspended on March 24, 2005 because he took a leave of absence.
8. Clarke returned to work as a salesperson for IG in April, 2005, but his registration was not reinstated until October, 2005. Between April and October 2005, Clarke performed registerable activity without being registered. IG failed to ensure that registration was granted to Clarke, thereby contravening section 31(1) of the Act.

DATED this 18th day of October, 2006.

M. Lianne Bradshaw
Investigator, Compliance and Enforcement
Nova Scotia Securities Commission