

ALBERTA SECURITIES COMMISSION
SETTLEMENT AGREEMENT AND UNDERTAKING

Citation: Wreggit, Re, 2011 ABASC 609

Date: 20111206
Docket: ENF-005469

Securities Act, R.S.A. 2000, c. S-4, as amended (Act)

ALLAN ROSS WREGGIT

Agreed Facts

Introduction

1 The staff of the Alberta Securities Commission (respectively, **Staff** and **Commission**) conducted an investigation into allegations that individuals, including Allan Ross Wreggit (**Wreggit**) breached the Alberta securities laws regarding illegal insider trading, and acted contrary to the public interest.

2 The investigation confirmed and Wreggit admits that he breached those sections of the Act and Alberta securities laws referred to in this Settlement Agreement and Undertaking (Agreement), and that he acted contrary to the public interest.

3 Solely for securities regulatory purposes in Alberta, Manitoba and elsewhere, and as the basis for the settlement and undertaking referred to in paragraph 17, Wreggit agrees to the facts and consequences set out in this Agreement.

4 Terms used in this Agreement have the same meaning as provided in the Alberta securities laws, a defined term in the Act.

Parties

5 Wreggit is a 61 year old resident of Ashville, Manitoba. At all material times, Wreggit was a financial planner employed in the mutual funds industry, registered in both Manitoba and Alberta to sell mutual funds. He was also licensed to sell insurance products.

6 John Herbert Holtby (**Holtby**) is Wreggit's brother-in-law. Holtby is a resident of Medicine Hat, Alberta. Holtby was also, at all material times, a Director of Eveready Inc. (**Eveready**).

Circumstances

7 In mid March 2009, Wreggit and Holtby had a discussion on the telephone (**March Call**). Wreggit had previously purchased shares of Eveready, an Alberta based company whose securities were listed for trading on the Toronto Stock Exchange. During the March Call, Wreggit asked Holtby what was happening with Eveready, as the share price had dropped to less than \$3.00. Holtby responded with words to the effect that Wreggit need not worry, Eveready was in a sales process and that it should be sold at a better price than it was then trading at (Material Information).

8 Within a day or two of learning of the Material Information as a result of the March Call, Wreggit began purchasing Eveready shares. He made the following purchases of shares: March 19 – 4600 shares, March 20 – 3000 shares, March 23 – 2267 shares, April 20 – 4600 shares and April 21 – 3770 shares. Prices paid for the shares by Wreggit ranged from a low of \$2.42 on March 19 to a high of \$3.35 on April 21.

9 On April 29, 2009, Eveready publically announced that it had signed a definitive agreement with Clean Harbors, Inc. (Clean Harbors). Under the terms of the agreement, Clean Harbors would acquire 100% of Eveready's outstanding common shares through a combination of cash and stock totalling approximately \$11.00 for each Eveready share.

10 Wreggit never saw the announcement and learned of the sale of Eveready from a discussion with Holtby. Following receipt of that information, from April 30 – May 7, 2009, Wreggit sold his entire holdings in Eveready for prices ranging from \$10.36 to \$10.45, earning a profit of at least \$106,000.

11 Wreggit admits that, upon learning of the Material Information from Holtby, he became a person in a special relationship with Eveready, as that phrase is defined in the Act. Wreggit further admits that he purchased the Eveready shares when he knew or ought to have known the Material Information had not been generally disclosed.

Breaches

12 As a result, Wreggit admits he breached subsection 147(2) of the Act by purchasing securities of a reporting issuer, while in a special relationship with the reporting issuer, with knowledge of a material fact or a material change with respect to the reporting issuer that had not been generally disclosed.

13 Wreggit further admits that purchasing shares of a reporting issuer while in possession of material undisclosed information, with a view to profiting from that trading, was contrary to the public interest.

Other Circumstances Relevant to Settlement

14 Wreggit was interviewed under oath by Staff investigators on August 18, 2011 and was cooperative and candid in that interview, acknowledging his receipt of the Material Information, its source, and his trading.

15 Aside from the facts above, Wreggit has never admitted to or been found to have breached any provision of Alberta securities laws, Manitoba securities laws or to have acted contrary to the public interest.

16 This Agreement has saved the Commission the time and expense associated with a contested hearing under the Act.

Settlement Payments and Undertakings

17 Based on these facts and admissions, Wreggit undertakes to the Executive Director upon execution of this Agreement:

17.1 to pay to the Commission the amount of \$159,000 in settlement;

17.2 to pay to the Commission the amount of \$6,000 towards investigation and legal costs;

17.3 to cease trading in any and all securities and any and all exchange contracts for a period of three years from the execution of this Agreement, except that:

- (i) Wreggit is permitted to trade in his existing Investors Group accounts (provided Investors Group has been given a copy of this Agreement) in securities and exchange contracts listed and posted for trading on the Toronto Stock Exchange, the TSX Venture Exchange or the New York Stock Exchange, or issued by a mutual fund which is a reporting issuer;
- (ii) Wreggit is permitted to trade in one RRSP, one LIRA and one TFSA account for himself and an RESP account for each of his children and grandchildren, through a registrant (who has been given a copy of this Agreement);
- (iii) Wreggit is permitted to trade on behalf of 4900198 Manitoba Ltd. through a registrant (who has been given a copy of this Agreement) in securities and exchange contracts listed and posted for trading on the Toronto Stock Exchange, the TSX Venture Exchange or the New York Stock Exchange or issued by a mutual fund which is a reporting issuer;
- (iv) Wreggit may receive and deposit securities into one of the accounts described above;
- (v) Wreggit may purchase shares of an issuer whose shares are not distributed to the public.

17.4 to permanently withdraw his registration as a mutual funds salesperson on or before December 31, 2011.

17.5 Wreggit consents to allowing the MSC to obtain the records of any of the above listed accounts, on demand, during this three year period, to monitor the trading therein.

17.6 Wreggit is free to apply to appear before the MSC during the three year period to apply for a variation of the above, in the public interest, should circumstances warrant, including, but not limited to, the need to deal with his mother's affairs.

Administration

18 Wreggit acknowledges that he has sought independent legal advice and that he has voluntarily made the admissions herein.

19 Wreggit waives any right existing under the Act, or otherwise, to a hearing, review, judicial review or appeal of this matter.

20 Wreggit acknowledges that this Agreement may be referred to in any other proceedings under the Act, and in securities regulatory proceedings in other jurisdictions, including reciprocal proceedings in Manitoba.

21 The Agreement resolves all issues involving Wreggit as described above, and neither Staff nor the Manitoba Securities Commission will take any further steps against him, or his wife, arising from these facts or from admissions contained herein.

22 The Agreement may be executed in counterpart.

)	
Signed by the duly authorized signatory)	
of ALLAN ROSS WREGGIT at)	
Dauphin, Manitoba this)	
25 day of November 2011, in the)	
presence of:)	
)	
WITNESS NAME)	
WITNESS NAME)	<u>"Original Signed By"</u>
		ALLAN ROSS WREGGIT
<u>"Original Signed By"</u>		
SIGNATURE		
)	ALBERTA SECURITIES COMMISSION
)	
Calgary, Alberta, 6 December 2011)	
)	<u>"Original Signed By"</u>
)	W.E. Brett Code
)	Director, Enforcement
)	
)	MANITOBA SECURITIES COMMISSION
)	
Winnipeg, Manitoba, 29 November)	
2011)	
)	<u>"Original Signed By"</u>
)	Douglas R. Brown
)	General Counsel and Director