



Ontario
Securities
Commission

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de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF THE REGISTRATION OF
GLENN COULSON**

DECISION OF THE DIRECTOR

Having reviewed and considered the agreed statement of facts, the admissions by Glenn Coulson (“Coulson”), and the joint recommendation to the Director by Coulson and staff of the Ontario Securities Commission (“Staff”) contained in the settlement agreement signed by Coulson on October 3, 2018, and by Staff on October 4, 2018 (the “Settlement Agreement”), a copy of which is attached as Schedule “A” to this Decision, and on the basis of those agreed facts and admissions, I, Pat Chaukos, in my capacity as Director under the *Securities Act*, R.S.O. 1990, c. S.5 (the “Act”), accept the joint recommendation of the parties, and make the following decision:

- (a) Coulson’s registration shall be suspended pursuant to section 28 of the Act, effective immediately, and Coulson may apply to reinstate his registration after a period of two months from the date of his suspension, and Staff will not recommend to the Director that his application be refused unless Staff becomes aware after the date of the Settlement Agreement of conduct impugning Coulson’s suitability for registration or

rendering his registration objectionable, and provided that he meets all applicable criteria for registration at the time.

October 16, 2018

“Pat Chaukos”

Date

Pat Chaukos

Schedule “A”

**IN THE MATTER OF THE *SECURITIES ACT*,
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GLENN COULSON**

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. This settlement agreement (the “Settlement Agreement”) relates to the registration status of Glenn Coulson (“Coulson”) as a mutual fund dealing representative under the *Securities Act*, R.S.O. 1990, c. S.5 (the “Act”).

2. As more particularly described in this Settlement Agreement, Coulson has failed to comply with Ontario securities law by not reporting to the Ontario Securities Commission (the “OSC”) criminal charges or an absolute discharge against him within the time prescribed by National Instrument 33-109 *Registration Information* (“NI 33-109”). Coulson and staff of the OSC (“Staff”) agree that it is appropriate that his registration be suspended, and the parties have agreed to make a joint recommendation to the Director regarding the suspension of Coulson’s registration.

II. AGREED STATEMENT OF FACTS

3. The parties agree to the facts as stated below.

A. The Registrant

4. Coulson has been registered under the Act as a mutual fund dealing representative since August 19, 2015. Coulson's registration is sponsored by Investors Group Financial Services Inc. ("IG").

5. Coulson's mutual fund practice is located in Barrie, Ontario.

6. Coulson has not previously been the subject of disciplinary action by any provincial or territorial securities commission, or any securities self-regulatory organization.

B. Criminal Charges Against Coulson

7. On or around September 24, 2015, Coulson was charged with three counts of fraud over \$5,000, contrary to s. 380(1) of the *Criminal Code*, R.S.C. 1985, c. C-46 (the "Code"), and three counts of conspiracy to commit fraud over \$5,000, contrary to s. 465(1)(c) of the Code.

8. The events giving rise to the charges against Coulson occurred between 2012 and 2014, prior to him becoming registered.

9. WA, a friend of Coulson and a former employee of the Ontario Lottery and Gaming Corporation ("OLGC"), recruited Coulson to perform work for OLGC as an independent contractor. Coulson's primary role under this arrangement was to distribute OLGC marketing materials at local establishments and events.

10. At WA's direction, Coulson invoiced OLGC for the cost of preparing the marketing materials and for the cost of his time spent distributing those materials. WA directed Coulson as to the content of these invoices, and in particular, the amounts charged and the description of the services rendered.

11. Although Coulson invoiced OLGC for the cost of preparing the marketing materials, in fact WA provided Coulson with those materials, and it was Coulson's understanding that WA had the

materials prepared himself. Pursuant to his arrangement with WA, when Coulson received payment for an invoice from OLGC, he remitted to WA that portion relating to the preparation of the marketing materials, and kept for himself that portion relating to the distribution of the marketing materials.

12. WA did not in fact prepare the marketing materials he had been providing to Coulson. Instead, WA kept the money he received from OLGC via Coulson, and provided Coulson with old OLGC marketing materials instead.

13. Coulson did not intend to commit fraud. However, Coulson admitted that he had been wilfully blind to WA's wrongdoing, and had thereby allowed himself to become involved in the fraudulent scheme. As a result, on August 30, 2017, Coulson agreed to plead guilty to one charge of fraud under \$5,000, contrary to s. 380(1) of the Code and received an absolute discharge. All remaining charges against Coulson were withdrawn. The resolution of the matter reflected Coulson's lower level of responsibility for the fraudulent scheme, and his high degree of cooperation with the police and the Crown in the investigation and prosecution.

C. Disclosure of Charges and Court Disposition

14. Section 4.1 of NI 33-109 required Coulson to disclose to the OSC both the charges laid against him and his absolute discharge, within ten days of those events occurring.

15. On December 1, 2017, Coulson informed his branch manager about the charges that had been laid against him in September 2015, and about the absolute discharge he had received in August 2017. At no time prior to December 1, 2017 had Coulson disclosed anything about criminal charges or their resolution to IG or the OSC.

16. IG disclosed the charges and the absolute discharge to the OSC on Coulson's behalf on June 19, 2018.

17. Between the date he was charged and the date of his absolute discharge, Coulson completed two IG “Annual Consultant Certifications” in which he indicated that his regulatory disclosure was up-to-date. The information that Coulson provided to IG in these forms was incorrect because his regulatory disclosure was in fact out of date as he had not reported his criminal charges.

18. Coulson states that he did not disclose anything about his criminal charges or his absolute discharge to IG or to the OSC at the time those events occurred because his criminal defence lawyer had instructed him not to discuss the matter with anyone, including his employer. However, Coulson’s criminal defence lawyer had no experience in securities law, Coulson did not discuss with his criminal lawyer his specific disclosure obligation under NI 33-109, and Coulson did not request or receive a legal opinion from his criminal defence lawyer regarding his disclosure obligations under NI 33-109.

III. ADMISSIONS AND REPRESENTATIONS BY COULSON

19. Coulson admits that by failing to disclose his criminal charges to the OSC within 10 days of the date those charges were laid, Coulson failed to comply with s. 4.1 of NI 33-109.

20. Coulson admits that by failing to disclose his absolute discharge to the OSC within 10 days of the date that disposition was ordered, Coulson failed to comply with s. 4.1 of NI 33-109.

21. Coulson admits that by indicating on his IG “Annual Consultant Certifications” that his regulatory disclosure was up-to-date, he failed to cooperate with IG’s supervisory activities.

22. Coulson admits that, based on the facts set out in paragraph 18 above, his reliance on the advice of his legal counsel as a basis for not disclosing his criminal matter to either IG or the OSC was not reasonable.

IV. JOINT RECOMMENDATION

23. The parties make the following joint recommendation to the Director regarding Coulson's registration status:

- (b) Coulson's registration shall be suspended pursuant to section 28 of the Act, effective immediately, and Coulson may apply to reinstate his registration after a period of two months from the date of his suspension, and Staff will not recommend to the Director that his application be refused unless Staff becomes aware after the date of this Settlement Agreement of conduct impugning Coulson's suitability for registration or rendering his registration objectionable, and provided he meets all applicable criteria for registration at the time.

24. The parties submit that their joint recommendation is appropriate for the following reasons:

- (a) Coulson has no disciplinary history in the securities industry;
- (b) Coulson admits his non-compliance with Ontario securities law and is remorseful for his conduct;
- (c) Coulson rectified his non-compliance with Ontario securities law by self-reporting his criminal charges and his absolute discharge;
- (d) By agreeing to this Settlement Agreement, Coulson has saved Staff and the Director the time and resources that would have been required for an opportunity to be heard (an "OTBH") under s. 31 of the Act to consider a recommendation by Staff that Coulson's registration should be suspended.

25. The parties acknowledge that if the Director does not accept this joint recommendation:

- (a) This settlement agreement and all related negotiations between the parties shall be without prejudice.
- (b) Coulson will be entitled to an OTBH in accordance with s. 31 of the Act in respect of Staff's recommendation that his registration be suspended by the Director.

"Glenn Coulson"

Glenn Coulson

"Elizabeth King"

Elizabeth King
Deputy Director
Compliance and Registrant Regulation

October 3, 2018

Date

October 4, 2018

Date