



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Citation: Deacon (Re), 2017 ONSEC 30
Date: 2017-07-25

**IN THE MATTER OF
GREGORY DEACON**

**ORAL RULING AND REASONS
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)**

Hearing: July 25, 2017

Decision: July 25, 2017

Panel: Timothy Moseley Commissioner and Chair of the Panel
Frances Kordyback Commissioner
Mark Sandler Commissioner

Appearances: Christina Galbraith For Staff of the Commission
Anna Huculak
Alistair Crawley For Gregory Deacon

ORAL RULING AND REASONS

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally in the hearing as edited and approved by the panel, to provide a public record.

- [1] Mr. Deacon is licensed with the Financial Services Commission of Ontario as a Life Insurance and Accident & Sickness Insurance Agent, but has never been registered with this Commission. He admits that he contravened the *Securities Act*¹ by selling convertible debentures to 20 individuals. He has entered into a settlement agreement with Staff of the Commission. He and Staff submit jointly that it would be in the public interest for us to approve the agreement and to issue the requested order. We agree. We reach that conclusion for the following reasons.
- [2] The underlying facts and the specific breaches of the *Securities Act* are set out in the settlement agreement, and we won't repeat them here. Essentially, as Mr. Deacon has admitted, his involvement in selling the convertible debentures was an activity that required registration under the *Securities Act*.
- [3] The proposed settlement between Staff and Mr. Deacon calls for an administrative penalty, costs, and a ten-year ban from participating in the capital markets. While those terms have been agreed to by the parties, we must decide whether the agreement should be approved. In making that decision, we recognize that the agreement is the product of negotiation between Staff and Mr. Deacon, both ably represented by counsel. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties. This proposed settlement would resolve this matter promptly, efficiently and with certainty, saving the costs that would be incurred in a contested proceeding. It is also significant that Mr. Deacon co-operated with Staff's investigation.
- [4] In our opinion, the terms of the agreement are reasonable in the circumstances, and they will have both a specific and a general deterrent effect. For all these reasons, we consider the settlement to be in the public interest, we approve the settlement agreement as requested, and we will issue an order substantially in the form of Schedule 'A' to that agreement.

Dated at Toronto this 25th day of July, 2017.

"Timothy Moseley"

Timothy Moseley

"Frances Kordyback"

Frances Kordyback

"Mark Sandler"

Mark Sandler

¹ RSO 1990, c S.5.