



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19^e étage
20, rue queen ouest
Toronto ON M5H 3S8

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

- AND -

**IN THE MATTER OF
SWIFT TRADE INC. AND PETER BECK**

HEARING HELD PURSUANT TO SECTIONS 127 AND 127.1 OF THE ACT

SETTLEMENT HEARING RE: SWIFT TRADE INC. AND PETER BECK

HEARING: Tuesday, July 28, 2009

PANEL: Lawrence E. Ritchie - Vice-Chair (Chair of the Panel)

APPEARANCES: Sean Horgan - for Staff of the Ontario Securities Commission
Andre Moniz

Katherine Kay - for Swift Trade Inc. and Peter Beck

ORAL RULING AND REASONS

The following text has been prepared for the purpose of publication in the Ontario Securities Commission Bulletin and is based on excerpts of the transcript of the hearing. The excerpts have been edited and supplemented and the text has been approved by the Chair of the Panel for the purpose of providing a public record of the decision.

Chair:

[1] This was a hearing under sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, (the “**Act**”) for the Ontario Securities Commission (the “**Commission**”) to consider whether it is in the public interest to approve the proposed Settlement Agreement (the “**Agreement**”) between Staff of the Commission (“**Staff**”) and the respondents Swift Trade Inc. (“**Swift Trade**”) and Peter Beck (“**Beck**”).

[2] Swift Trade has been registered with the Commission as a Limited Market Dealer since 2003. Swift Trade's head office is located at 55 St. Clair West, Toronto, Ontario.

[3] Beck resides in Toronto, Ontario. Beck is the co-founder and President of Swift Trade and owns 70.5% of BRMS Holdings Inc., which owns 100% of Swift Trade. Beck has been registered with the Commission since 1998. Since September 18, 2002, Beck was registered as a director and a trading officer of Swift Trade. From November 9, 2004, until August 22, 2006, Beck was designated as the compliance officer for Swift Trade.

[4] Barka Co. Limited (“**Barka**”) was incorporated in Cyprus on January 22, 2004 for the sole purpose of trading securities on its own behalf, and is Swift Trade’s largest client.

[5] This proceeding concerns the conduct of Beck during an examination under oath conducted by Staff on December 11, 2006 pursuant to section 31 of the Act, and consideration of whether that conduct was contrary to the public interest.

[6] The settlement is based upon specific facts agreed to by all parties (the “**Agreed Facts**”), which are set out in detail in the Agreement, and in particular the Agreed Facts section.

[7] In essence, the parties agree that certain statements were made by Beck on behalf of Swift Trade that were misleading with respect to the beneficial ownership of Swift Trade's largest client in the course of a compliance review examination.

[8] According to the Agreed Facts, Beck did not intend to mislead Staff. Nonetheless, he acknowledges that as a director, trading officer and registrant, he should have devoted more effort to developing a better understanding of the subjects of interest to Staff during their compliance examination, in order to be completely forthcoming and helpful with his responses.

[9] While Staff did not ask specific questions about the beneficial ownership of Barka, Beck should have been aware that Staff would be concerned about the beneficial ownership and the effective control of Barka, Swift Trade's largest client.

[10] Beck acknowledges that his non-wilful lack of disclosure about Barka resulted in Staff being misled. Beck apologizes for his course of conduct, which he acknowledges was contrary to the public interest.

[11] As Staff properly point out in their submissions, the role of a Commission panel reviewing a settlement agreement is not to substitute the sanctions it would impose in a contested hearing for what is proposed in the agreement, but rather to consider whether the agreed sanctions are within acceptable parameters (*Re Sohan Singh Koonar et al.* (2002), 25 O.S.C.B. 2691 at 2693).

[12] I have considered all the factors that the case law urges me to consider as reflected in *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at para. 25, *Re M.C.J.C. Holdings and Michael Cowpland* (2003), 26 O.S.C.B. 8206 at para. 55, *Cartaway Resources Corp. (Re)* [2004] 1 S.C.R. 672 at para. 60, and as set out in Staff's submissions.

[13] The integrity of field reviews and healthy ongoing relations between registrants and the compliance Staff is fundamental to the ability of the Commission to fulfill its dual responsibilities: providing protection to investors from unfair, improper or fraudulent practices; and, fostering fair and efficient capital markets and confidence in capital markets.

[14] It is crucial that participants, and registered participants in particular, act with the highest standards of integrity, honesty and frankness in their dealings with Staff.

[15] I note that in the Agreed Facts the non-disclosure at issue is characterized as "non-willful". This is an important consideration for me in assessing the reasonableness of the sanctions. Nonetheless, this matter, this settlement, and the sanctions proposed demonstrate that registrants must at all times be frank and forthright with Staff and use best efforts to ensure that information provided to the Commission is correct and complete.

[16] I am of the view that based on all of the circumstances set out in the Agreed Facts, that it is in the public interest to approve the Agreement and to grant the order requested.

[17] Therefore, it is ordered that:

- (1) the Settlement Agreement between the Respondents and Staff of the Commission is approved;
- (2) pursuant to paragraph 127(6) of the Act, the Respondent Beck is reprimanded;
- (3) pursuant to paragraph 127(1) of the Act, the terms and conditions imposed by the Decision of the Director of Compliance dated February 5, 2008 on the Respondent Swift Trade's registration, shall be removed immediately; and
- (4) pursuant to section 127.1 of the Act, the Respondents shall pay costs in the amount of \$20,000 to the Commission.

[18] It is in the public interest to have these matters resolved by agreement and in this case I am of the view that the Agreement, based on the Agreed Facts is fair and reasonable.

[19] Having reached this resolution, it is hoped that Beck and Swift Trade can put this matter behind them.

Approved by the Chair of the Panel on August 31, 2009.

"Lawrence E. Ritchie"
Lawrence E. Ritchie