



Ontario
Securities
Commission

Commission des
valeurs mobilières
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
WEALTH STEWARDS PORTFOLIO MANAGEMENT INC. and SUSHILA LUCAS
(Subsection 8(4) of the Act and Rule 9.2 of the *OSC Rules of Procedure*)**

ORDER

WHEREAS Wealth Stewards Portfolio Management Inc. (“Wealth Stewards”) is registered as an adviser in the category of portfolio manager and the majority of the accounts advised by Wealth Stewards are managed by an appropriately registered sub-adviser;

AND WHEREAS on June 13, 2014, a Director of the Compliance and Registrant Regulation branch of the Ontario Securities Commission (the “Commission”) issued a decision with respect to the registrations of Wealth Stewards and Sushila Lucas (“Lucas”) that:

- (a) the registration of Wealth Stewards be suspended indefinitely;
- (b) the registration of Lucas as ultimate designated person (“UDP”) and chief compliance officer (“CCO”) be suspended for a period of three years;
- (c) the registration of Lucas as an advising representative be suspended for a period of six months;
- (d) Lucas successfully complete the *Partners, Directors and Senior Officers Course* (the “PDO”) before applying for reinstatement of registration as a UDP;
- (e) Lucas successfully complete both the PDO and the *Chief Compliance Officers Qualifying Exam* before applying for reinstatement of registration as a CCO; and
- (f) Lucas successfully complete the *Conduct and Practices Handbook Course* before applying for reinstatement as an advising representative (the “Director’s Decision”);

AND WHEREAS on June 18, 2014, Wealth Stewards and Lucas (together the “Applicants”) requested a hearing and review of the Director’s Decision by the Commission pursuant to subsection 8(2) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”) (the “Hearing and Review”) and pursuant to subsection 8(4) of the Act, the Applicants requested a stay of the Director’s Decision pending the disposition of the Hearing and Review;

AND WHEREAS on June 23, 2014, on the consent of the parties, the Commission ordered that the Director’s Decision be stayed until the conclusion of the Hearing and Review by the Commission, subject to the following conditions:

- (1) the stay order shall continue in force until the parties have the opportunity at the Hearing and Review to address the issuance of a further stay order by the Panel presiding over the Hearing and Review, and shall continue in force until August 29, 2014 or upon further order of the Commission;
- (2) the Applicants shall serve and file the record of the proceeding before the Director, any statement of fact and law and shall comply with Rule 14.5 of the *OSC Rules of Procedure* by August 19, 2014;
- (3) Staff of the Commission shall deliver any record in response, any statement of fact and law and shall comply with Rule 14.5 by August 25, 2014;
- (4) the Hearing and Review shall be heard on August 28 and 29, 2014;
- (5) the Applicants shall post a link to the Director’s Decision and this Order on the homepage of the Wealth Stewards website forthwith with a description of the links;
- (6) the Applicants shall provide a copy of the Director’s Decision and this Order to all existing clients;
- (7) Wealth Stewards may state on its website and when providing the Director’s Decision to clients that “the decision to suspend the registration of Wealth Stewards was stayed on terms pursuant to the decision of the Commission dated June 23, 2014. An application for a hearing and review of the Director’s Decision under section 8 of the Act has been requested and is scheduled for August 28 and 29, 2014 before a panel of the Commission,” and may not otherwise make any

public statements on its website or in any press release that is inconsistent with the Director's Decision and/or this Order;

- (8) the Applicants shall not accept any new clients in respect of Wealth Stewards' portfolio management business;
- (9) the Applicants shall ensure that all currently sub-advised managed accounts continue to be sub-advised by an appropriately registered portfolio manager;
- (10) any contact or communication between Wealth Stewards and its clients in respect of its portfolio management business must be made solely by Lucas, and any recommendations in respect of any managed accounts advised by Wealth Stewards must be made solely by Lucas; and
- (11) until further order by the Commission, Wealth Stewards shall not permit Bruce Deck to withdraw any funds or otherwise receive any compensation whatsoever in respect of Wealth Stewards' portfolio management business accrued between the date of the Director's Decision and the date of the decision on the Hearing and Review
(the "Stay Order");

AND WHEREAS on July 31, 2014, the Applicants advised the Commission that they were pursuing a sale of the assets of Wealth Stewards and expected that an application pursuant to section 11.9 or 11.10 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") in respect of Wealth Stewards would be filed with the Commission by August 14, 2014 and, as a result, the Applicants sought an adjournment of the Hearing and Review to September 25 and 26, 2014;

AND WHEREAS on August 1, 2014, on the consent of the parties, the Commission made an order adjourning the Hearing and Review to September 25 and 26, 2014, extending the Stay Order to September 26, 2014 and extending the other timelines referred to in the Stay Order (the "August 1, 2014 Order");

AND WHEREAS on August 22, 2014, Wealth Stewards filed an application pursuant to section 11.10 of NI 31-103 in respect of a proposed sale of all outstanding shares of Wealth Stewards (the “Section 11.10 Application”);

AND WHEREAS on September 12, 2014, the Applicants sought an adjournment of the Hearing and Review to November 6 and 7, 2014 and to an extension of the timelines set out at paragraphs (2) and (3) of the August 1, 2014 Order to allow additional time for the Director to consider the Section 11.10 Application and for the parties to engage in discussions regarding a possible settlement of the Hearing and Review;

AND WHEREAS on September 18, 2014, on the consent of the parties, the Commission made an order adjourning the Hearing and Review to November 6 and 7, 2014, extending the Stay Order to November 7, 2014 and extending the other timelines referred to in the Stay Order (the “September 18, 2014 Order”);

AND WHEREAS on October 2, 2014, the Director approved the Section 11.10 Application by notifying Wealth Stewards in writing that the Director did not object to the proposed sale of Wealth Stewards;

AND WHEREAS on October 20, 2014, counsel for the Applicants advised Staff that they sought an adjournment of the Hearing and Review dates and an extension of the timelines set out at paragraphs (3) and (4) of the September 18, 2014 Order;

AND WHEREAS on October 28, 2014, counsel for the Applicants advised Staff that the commercial terms of the proposed sale of Wealth Stewards had been finalized with the purchaser but that additional time was required to complete the sale;

AND WHEREAS on October 31, 2014, Staff advised the Commission that the Applicants sought an adjournment of the Hearing and Review and an extension of the timelines set out at paragraphs (3) and (4) of the September 18, 2014 Order to allow the Applicants to complete the sale of Wealth Stewards and for the parties to engage in discussions regarding a possible settlement of the Hearing and Review;

AND WHEREAS Staff consented to the adjournment request and to an extension of the timelines found at paragraphs (3) and (4) of the September 18, 2014 Order to the dates set out below;

AND WHEREAS on November 5, 2014, the Commission made an order (the “November 5, 2014 Order”) that:

- (1) subject to the modifications to the Stay Order set out in the August 1, 2014 Order, the September 18, 2014 Order and herein, the Stay Order is extended until the parties have the opportunity at the Hearing and Review to address the issuance of a further stay order by the Panel presiding over the Hearing and Review, and in any event shall continue in force to no later than January 30, 2015;
- (2) the Hearing and Review is adjourned to dates before January 30, 2015 to be scheduled with the Secretary’s Office;
- (3) paragraph (3) of the September 18 Order is deleted and replaced by the following:
 - (a) The Applicants shall serve and file the record of the proceeding before the Director, any statement of fact and law and shall comply with Rule 14.5 of the *OSC Rules of Procedure* by January 9, 2015; and
 - (b) Staff of the Commission shall deliver any record in response and any statement of fact and law, and shall comply with Rule 14.5, by January 16, 2015;
- (4) paragraph (4) of the September 18, 2014 Order is deleted and replaced by the following:

Wealth Stewards may state on its website and when providing the Director’s Decision to clients that “the decision to suspend the registration of Wealth Stewards was stayed on terms pursuant to the decision of the Commission dated June 23, 2014. An application for a hearing and review of the Director’s Decision under section 8 of the Act has been requested and will be scheduled for dates to be scheduled before January 30, 2015 before a panel of the Commission;” and
- (5) Wealth Stewards may not otherwise make any public statements on its website or in any press release that is inconsistent with the Director’s Decision, the Stay Order, the August 1, 2014 Order, the September 18, 2014 Order and/or this Order;

AND WHEREAS on December 3, 2014, the Applicants advised Staff that:

- (a) they no longer intended to proceed with a sale of Wealth Stewards;
- (b) Wealth Stewards applied for a voluntary surrender of its registration; and
- (c) Wealth Stewards consented to a suspension of its registration;

AND WHEREAS on January 8, 2014, the Applicants advised Staff that they are winding-up the business of Wealth Stewards and advised Staff of the manner in which they propose to dispose of the remaining assets of Wealth Stewards, which includes a payment, on behalf of Deck, by Wealth Stewards of \$153,212 to the Investment Industry Regulatory Organization of Canada (IIROC) to satisfy an outstanding fine owed by Deck to IIROC;

AND WHEREAS Staff do not object to the proposed disposition of the remaining assets of Wealth Stewards as proposed by the Applicants;

AND WHEREAS on January 8, 2014, the Applicants also advised Staff that they sought to withdraw their request for the Hearing and Review;

AND WHEREAS on January 22, 2015, the Applicants advised Staff that Lucas has not performed any registerable activity since December 30, 2014;

AND WHEREAS on January 22, 2015, Staff updated the Commission on the information Staff received from the Applicants referred to herein for the period December 3, 2014 to January 22, 2015;

AND WHEREAS the parties consent to an order vacating the Stay Order and the November 5, 2014 Order and to an order that the time periods specified in paragraphs (b) and (c) of the Director's Decision begin to run from January 1, 2015;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT:

- (1) The Stay Order and the November 5, 2014 Order are hereby vacated; and

- (2) The time periods specified at paragraphs (b) and (c) of the Director's Decision, as set out above, begin to run from January 1, 2015.

DATED at Toronto this 23rd day of January, 2015.

"Mary G. Condon"

Mary G. Condon