

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

AND

**IN THE MATTER OF
BETTY LEUNG**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. By Notice of Hearing dated June 23, 2008, the Ontario Securities Commission announced that it proposed to hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “*Act*”), it is in the public interest for the Commission to make orders as specified therein.

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding initiated by the Notice of Hearing against Betty Leung (“Leung”) in accordance with the terms and conditions set out below. Leung consents to the making of an order against her in the form attached as Schedule “A” on the basis of the facts set out below.

PART III – AGREED FACTS

3. For the purposes of this settlement hearing and any administrative proceeding commenced by another Canadian securities commission only, Leung agrees with the facts in Part III and the conclusion in Part IV of this Settlement Agreement (“the Settlement Agreement”).
4. Leung is a resident of Toronto. She is 53 years old. She has been a legal secretary in Canada since 1989. At the material time described below, Leung was employed as a legal secretary at the law firm, Bennett Jones LLP, in Toronto. In particular, she worked for a partner whose practice is primarily in relation to merger and acquisition transactions.
5. Leung acquired confidential material information about various potential transactions in her role as a legal secretary through communications with other staff working on the transactions or from review of file materials, including email. Leung was aware that she could not lawfully trade securities of reporting issuers while she possessed undisclosed confidential material information about potential transactions involving those issuers. She acknowledges that she owed a duty of confidentiality to her employer and to the clients of her employer.
6. Pursuant to s.76(5)(c) of the *Act*, Leung was a person in a special relationship with the reporting issuers involved in the merger and acquisition transactions on which Bennett Jones LLP advised.

7. Over the period from April, 2005 to March, 2008, with knowledge of confidential material facts that Leung became aware of during her employment, Leung bought and sold securities in eight reporting issuers which are listed on the TSX.
8. Leung purchased the securities using two accounts in her own name, one account in the name of her husband and one account in the name of her parents. While she traded frequently, she usually purchased or sold approximately 200-800 shares at a time. The total profit she made from trading the securities of the above-named reporting issuers over the material period was \$51,568.61. The trading in these circumstances was not material to the reporting issuers whose securities she traded.
9. At the time Leung purchased and sold the securities, the confidential material facts she knew in respect of the reporting issuers related to possible merger and acquisition transactions or other corporate transactions. These material facts had not been generally disclosed to the public.
10. Leung fully cooperated in Staff's investigation, promptly submitting to an interview by Staff and expressing remorse.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

11. By engaging in the conduct described above, Leung has breached s.76(1) of the *Act* and has acted contrary to the public interest.

PART V – TERMS OF SETTLEMENT

12. Leung agrees to the terms of settlement listed below.
13. The Commission will make an order, pursuant to s.127(1) and s.127.1, that:
 - a. the Settlement Agreement is approved;
 - b. trading in any securities by Leung cease permanently from the date of the approval of the Settlement Agreement, except that Leung is permitted to trade only in mutual fund securities in one account on her own behalf, one account on behalf of her registered retirement savings plan, and one account on behalf of her locked-in pension plan, through no more than two registered dealers, to whom she must give a copy of this Order at the time she opens or modifies these accounts;
 - c. acquisition of any securities by Leung is prohibited permanently from the date of the approval of the Settlement Agreement, except that Leung is permitted to acquire mutual fund securities in one account on her own behalf, one account on behalf of her registered retirement savings plan, and one account on behalf of her locked-in pension plan, through no more than two registered dealers, to whom she must give a copy of this Order at the time she opens or modifies these accounts;
 - d. Notwithstanding paragraphs (b) and (c) above, Leung shall have 60 days from the date of this order to effect liquidating trades only of any non-mutual fund securities that she owns beneficially or over which she exercises direction or control;
 - e. Leung pay the amount of \$90,244.00 to the Commission within 60 days of this order for allocation to or for the benefit of third parties in accordance with s.3.4(2) of the *Act*; and

- f. Leung pay costs of the investigation to the Commission in the amount of \$5000 within 60 days of this order.

PART VI – STAFF COMMITMENT

14. If this Settlement Agreement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in relation to the facts set out in Part III herein, subject to the provisions of paragraph 19 below.
15. If this Settlement Agreement is approved by the Commission and at any subsequent time Leung fails to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Leung based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

16. Approval of this Settlement Agreement will be sought at a public hearing before the Commission scheduled for June 25, 2008, or such other date as may be agreed to by Staff and Leung, in accordance with the procedures set out herein and the Commission's Rules of Practice.
17. Staff and Leung agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding Leung's conduct, unless the parties agree that further facts should be submitted at the settlement hearing.

18. If this Settlement Agreement is approved by the Commission, Leung agrees to waive all rights to a full hearing, judicial review, or appeal of this matter under the *Act*.
19. If this Settlement Agreement is approved by the Commission, neither party will make any public statement that is inconsistent with this Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.
20. Whether or not this Settlement Agreement is approved by the Commission, Leung agrees that she will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

21. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" to this Settlement Agreement is not made by the Commission:
 - i. this Settlement Agreement and its terms, including all discussions and negotiations between Staff and Leung prior to the settlement hearing, shall be without prejudice to Staff and Leung; and
 - ii. each of Staff and Leung will be entitled to all available proceedings, remedies and challenges, including proceeding to a

hearing of the allegations contained in the Statement of Allegations, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

22. The terms of the Settlement Agreement will be treated as confidential by both parties until approved by the Commission. Any obligations of confidentiality will terminate upon approval of the Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of both Leung and Staff or as may be required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

23. This agreement may be signed in one or more counterparts which together will constitute a binding agreement.
24. A facsimile copy of any signature will be as effective as an original signature.

Dated this 23rd day of June 2008.

STAFF OF THE ONTARIO SECURITIES COMMISSION

“Michael Watson”

Michael Watson
Director, Enforcement Branch

BETTY LEUNG

“Betty Leung”

Betty Leung

“David Hausman”

Witness