

In the Matter of
The Securities Act , 1988 S.S.1988,c. S-42.2

And

In the Matter Of
Gregory Todd Whiteside
Megan Whiteside

Hearing Held: February 6, 2013

Before: Derrek Fahl (Chairperson), Peter Carton, Brian Molberg* (the Panel)

Appearances by: Ola Ben-Ajayi for Staff, Securities Division
Respondents - Gregory Todd Whiteside and Megan Whiteside (by telephone)

Date of Decision April 27, 2017

*Brian Molberg resigned from the board of FCAA in 2014 and while he was on the panel at the time of the hearing he was not involved in writing this decision.

Background

1. The allegations of staff of the Financial and Consumer Affairs Authority (FCAA Staff) against Gregory Todd Whiteside and Megan Whiteside (the Respondents) are outlined in a Statement of Allegations, dated November 1, 2012. The actions that form the basis for the allegations took place from approximately August of 2008 to approximately May of 2010 (the Relevant Time). It is alleged that the Respondents contravened the registration requirements in section 27 of *The Securities Act, 1988* (SS, 1988-89, c S-42.2) (the Act) by acting as dealers and advisers in Saskatchewan while not registered to do so.
2. The allegations outlined that Gregory Todd Whiteside and Megan Whiteside were directors and officers of Worldwide Capital Group Inc., 101140161 Saskatchewan Ltd. (0161 Sask) and 101115596 Saskatchewan Ltd. (5596 Sask).

3. In early 2008, Investor 1 met Gregory Todd Whiteside at an investment education seminar at which Gregory Todd Whiteside was speaking.
4. After a number of meetings, Whiteside proposed to Investor 1 that he (Whiteside) invest Investor 1's monies in stocks and commodities and manage the trading of the same. In order to facilitate the arrangement Whiteside suggested a structured loan agreement between his company (5596 Sask) and the Investor 1.
5. On August 13, 2008 Investor 1 executed a loan agreement with 5596 Sask and deposited \$950,000.00 in the account of 5596 Sask.
6. Whiteside thereafter transferred such monies to an account in the name of 5596 Sask at [REDACTED], and subsequently invested these monies in securities and exchange contracts.
7. In May 2009, Investor 2 met Gregory Todd Whiteside under similar circumstances as Investor 1, and Investor 2 ultimately invested a total of \$115,000.00 under a structured loan agreement with 0161 Sask.
8. The monies advanced by each of Investor 1 and Investor 2 were lost in securities and exchange contracts traded under Gregory Todd Whiteside's management and direction.
9. At all material times, none of Gregory Todd Whiteside, Megan Whiteside, 5596 Sask or 0161 Sask were registered to trade or advise in securities in Saskatchewan.

Analysis

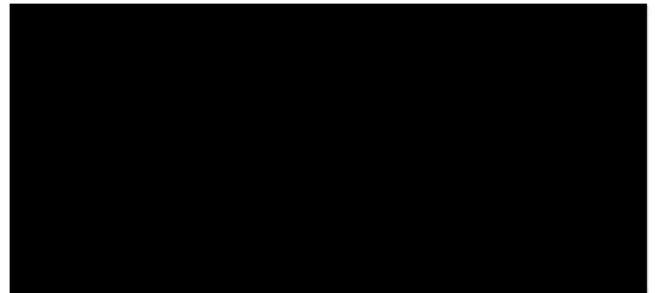
10. In carrying out the activities outlined in paragraphs 3 through 8, above, the Respondents, whether directly or through corporate entities, engaged in the business of trading and advising in securities and exchange contracts in Saskatchewan.
11. The panel heard testimony under oath from each of Gregory Todd Whiteside and Megan Whiteside during which they acknowledged all allegations that had been made against them in this regard were, in fact, correct.
12. As the Respondents have never been registered to trade or advise in securities or exchange contracts in Saskatchewan, they have therefore contravened the registration requirements of section 27 of the Act.

Sanctions

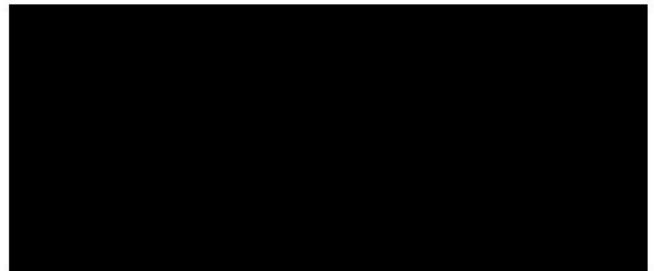
13. The panel heard evidence from FCAA Staff that both Respondents had been cooperative throughout the investigation and readily admitted to the allegations without going through a contested hearing. However notwithstanding their cooperation, a breach of the Act has occurred.
14. Based on all of the above, the Panel will issue consequential Orders in due course, that reflect the following determinations on sanctions which the Panel considers to be consistent with the public interest:
 - a) That pursuant to clause 134(1)(a) of the Act the exemptions under Saskatchewan securities laws do not apply to the Respondents for a period of five years from April 27, 2017 up to and including to April 26, 2022, except in regards to securities issued to the Respondents in their personal capacity by issuers who have no security holders other than the Respondents;
 - b) That pursuant to clause 134(1)(d) of the Act the Respondents shall cease trading in any securities or exchange contracts in Saskatchewan on behalf of residents of Saskatchewan for a period of five years from April 27, 2017 up to and including April 26, 2022;
 - c) That pursuant to clause 134(1)(e) of the Act the Respondents cease advising residents of Saskatchewan with respect to securities or exchange contracts for a period of five years from April 27, 2017 up to and including April 26, 2022;
 - d) That pursuant to clause 134(1)(h) of the Act, the Respondents shall:
 - i. Resign any position that they hold as directors or officers of a registrant, an investment fund manager or any issuer whose securities are not wholly-owned by the Respondents, for a period of five years from April 27, 2017 up to and including April 26, 2022;
 - ii. Be prohibited from serving as a director or holding office of a registrant, an investment fund manager or any issuer whose securities are not wholly-owned by the Respondents, for a period of five years from April 27, 2017 up to and including April 26, 2022;
 - iii. Not be employed by an issuer, registrant or investment fund manager in a capacity that requires or entitles them to trade or advise in securities for a period of five years from April 27, 2017 up to and including April 26, 2022;

- e) That pursuant to section 135.1 of the Act, each of the Respondents pay an administrative penalty of \$10,000 to the Authority; and,
- f) That pursuant to section 161 of the Act the Respondents pay the costs relating to the hearing of this matter in the amount of \$1,696.00.

This is the unanimous decision of the panel.



Derrek Fahl (Hearing Chairperson)



Peter Carton (Panel Member)