

**In the Matter of
*The Securities Act, 1988***


and

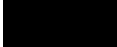
**In the Matter of
I.A. Michael Investment Counsel Ltd.
and
Irwin A. Michael**

Notice of First Appearance

To: I.A. Michael Investment Counsel Ltd.
Irwin A. Michael

TAKE NOTICE THAT you or a representative are to attend before a Panel of the Financial and Consumers Affairs Authority of Saskatchewan (the Authority) via teleconference on Wednesday, October 22, 2014 at 9:00 a.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations filed by Staff of the Authority, dated July 24, 2014 and attached hereto.

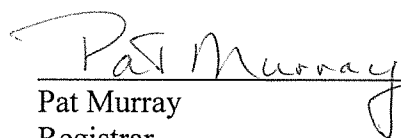
The teleconference number is: 

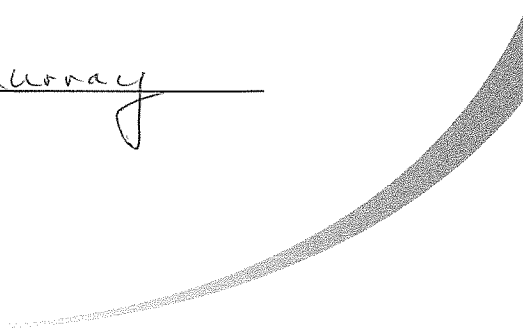
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TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

AND FURTHER TAKE NOTICE that if you do not attend at the time and place as aforesaid, the conference call will proceed in your absence and the Panel of the Authority may set hearing dates in the above matter without further notice to you;

DATED at Regina, Saskatchewan on September 22, 2014.


Pat Murray
Registrar



For Delivery To:

I.A. Michael Investment Counsel Ltd.
and
Irwin A. Michael

AUM Law
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Toronto, ON M4W 3R8

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Note: Saskatchewan Policy Statement 12-602 *Procedure on Hearings and Reviews* (SP 12-602) sets out information on the procedures for this hearing. SP 12-602 can be found on the Authority's website at www.fcaa.gov.sk.ca.

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*The Securities Act, 1988***

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**In the Matter of
I.A. Michael Investment Counsel Ltd.
and
Irwin A. Michael**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE FINANCIAL AND CONSUMER AFFAIRS
AUTHORITY OF SASKATCHEWAN**

**To: I.A. Michael Investment Counsel Ltd.
Irwin A. Michael**

Staff of Financial and Consumer Affairs Authority of Saskatchewan (Staff of FCAA) make the following allegations:

The Respondents

1. The Respondent, I.A Michael Investment Counsel Ltd. (IAM), is a business corporation incorporated pursuant to the laws of the province of Ontario. IAM is a firm registered in Ontario under the investment fund manager category, the exempt market deal category and the portfolio manager category. IAM has been registered in the former category since in or around 2011 and the latter two categories since in or around 2009. From in or around 2003 to in or around 2009 IAM was registered in Ontario under the limited market dealer category, the investment counsel category, and the portfolio manager category.
2. The Respondent, Irwin A. Michael, is a resident of Toronto, Ontario. He is registered in Ontario with IAM as an advising representative under the portfolio manager category, a dealing representative under the exempt market dealer category, and listed as an officer and director under the permitted individuals category.
3. From in or around 2009 to date, Irwin A. Michael has been registered in Ontario as IAM's Ultimate Designated Person (UDP) and Chief Compliance Officer (CCO) under the exempt market dealer category and the portfolio manager category. From in or around 2011 to date, Irwin A. Michael has been registered in Ontario as IAM's CCO under the investment fund manager category;

4. At all material times, Irwin A. Michael acted as agent in Saskatchewan for IAM.
5. IAM is indirectly, wholly-owned by Irwin A. Michael and Irwin A. Michael is the sole director of IAM.

Contraventions of subsection 27(2) of *The Securities Act, 1988* (the Act)

6. From in or around 2010 to in or around 2013, IAM and Irwin A. Michael engaged in the business of trading in securities of ABC American Value Fund (the Fund) in Saskatchewan. IAM is the Fund's principle distributor and investment portfolio manager.
7. The particulars of IAM and Irwin A. Michael's trading activities are as follows:
 - (a) IAM and Irwin A. Michael sold approximately 15921.397 units of the Fund to Investor 1, a resident of Lumsden, Saskatchewan, on or about December 31, 2010, for a total sum of \$240,227.14,
 - (b) IAM and Irwin A. Michael sold approximately 19817.677 units of the Fund to Investor 2, a resident of Regina, Saskatchewan, on or about January 31, 2011, for a total sum of \$150,000,
 - (c) IAM and Irwin A. Michael sold a total of approximately 10405.466 units of the Fund to Investor 3, a resident of Regina, Saskatchewan, from in or around November 2013 to in or around December 2013, for a total sum of \$216,804.25 and
 - (d) IAM and Irwin A. Michael sold a total of approximately 787.584 units of the Fund to Investor 4, a resident of Regina, Saskatchewan, from in or around January 2013 to in or around December 2013, for a total sum of \$14,817.09.
8. In a filing submitted to the Authority April 2, 2014, IAM claimed exemptions from the prospectus requirement pursuant to section 2.10 (minimum amount investment) of National Instrument 45-106 – *Prospectus and Registration Exemptions* (NI 45-106) for the trades engaged in with Investor 1 and Investor 2. In this same filing, IAM also claimed exemptions from the prospectus requirement pursuant to section 2.19 (additional investment in investment funds) of NI 45-106 for the trades engaged in with Investor 3 and Investor 4.
9. In carrying out the acts indicated in paragraphs 6 and 7 IAM and Irwin A. Michael engaged in the business of trading in securities in Saskatchewan.
10. From in or around 2010 to in or around 2013, Irwin A. Michael also advised Investor 1, Investor 2, Investor 3 and Investor 4 as to the investing in securities of the Fund, thereby engaging in the business of advising as to the investing in securities in Saskatchewan.
11. Neither IAM nor Irwin A. Michael has ever been registered as a "dealer" pursuant to the Act, and therefore, each of IAM and Irwin A. Michael contravened clause 27(2)(a) of the

Act.

12. Irwin A. Michael has never been registered as an “adviser” pursuant to the Act, and therefore, has contravened clause 27(2)(b) of the Act.

Relief

13. Based on the above, Staff of FCAA ask the hearing panel to consider whether it is in the public interest to make the following orders:

- (a) Pursuant to section 135.1 of the Act, IAM and Irwin A. Michael shall jointly or severally pay an administrative penalty to the Authority, in the amount of \$4,450.00, which is the sum of the registration fees that would have been payable by IAM and Irwin A. Michael during the relevant time; and
- (b) Pursuant to section 161 of the Act, IAM and Irwin A. Michael shall jointly or severally pay the costs of or relating to the hearing in this matter.

DATED at Regina, Saskatchewan, this 24 day of July, 2014.



Dean Murrison
Director,
Securities Division,
Financial and Consumer Affairs Authority of
Saskatchewan