

**IN THE MATTER OF
THE UNIVERSAL MARKET INTEGRITY RULES**

AND

**IN THE MATTER OF
STEVE HORROCKS**

OFFER OF SETTLEMENT

A. INTRODUCTION

1. Market Regulation Services Inc. ("RS") has conducted an investigation (the "Investigation") into the conduct of Steve Horrocks ("Horrocks").
2. The Investigation has disclosed matters for which RS seeks certain sanctions against Horrocks pursuant to Rule 10.5 of the Universal Market Integrity Rules ("UMIR").
3. If this Offer of Settlement is accepted by Horrocks, the resulting settlement agreement (the "Settlement Agreement"), which has been negotiated in accordance with Part 3 of UMIR Policy 10.8, is conditional upon the approval by a hearing panel (the "Hearing Panel") of the Hearing Committee appointed under Part 10 of UMIR Policy 10.8.
4. Horrocks agrees to waive all rights under UMIR to a hearing or to an appeal or review if the Settlement Agreement is approved by the Hearing Panel.
5. RS and Horrocks will jointly recommend to the Hearing Panel that it accepts this Settlement Agreement.

12. Pursuant to Part 3.4 of UMIR Policy 10.8, the Hearing Panel may accept or reject this Settlement Agreement.

13. In the event the Settlement Agreement is accepted by a Hearing Panel, the matter becomes final, there can be no appeal or review of the matter, the disposition of the matter agreed upon in this Settlement Agreement will be included in the permanent record of RS in respect of Horrocks, and RS will publish a summary of the Requirements contravened, the facts, and the disposition agreed upon in the Settlement Agreement.

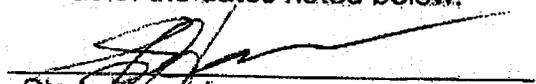
14. In the event the Hearing Panel rejects the Settlement Agreement, RS may proceed with a hearing of the matter before a differently constituted Hearing Panel pursuant to Part 3.7 of UMIR Policy 10.8 and this Settlement Agreement may not be referred to without the consent of both parties.

F. OTHER MATTERS

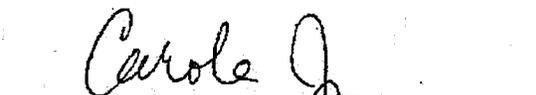
15. Horrocks agrees that, in the event he fails to comply with any of the terms of the Settlement Agreement, RS may enforce this settlement in any manner it deems appropriate and may, without limiting the generality of the foregoing, suspend Horrocks' access to marketplaces regulated by RS until RS determines that Horrocks' is in full compliance with all terms of the Settlement Agreement.

16. Horrocks agrees that neither he, nor anyone on his behalf, will make a public statement inconsistent with this Settlement Agreement.

IN WITNESS WHEREOF the parties have signed this Settlement Agreement as of the dates noted below.


Steve Horrocks

May 22/08
Date of Respondent Signature


Witness

May 22/08
Date of Witness Signature


Chilwin C. Cheng
Chief Counsel and Acting Manager
of Western Region

21 MAY 2008
Date of RS Signature

B. AGREEMENT AS TO REQUIREMENTS CONTRAVENED

6. Horrocks agrees that on July 12, September 5, and November 15, 2006, he engaged in conduct that resulted in contraventions of Universal Market Integrity Rule ("UMIR") 8.1 (Client-Principal Trading) for which he is liable under UMIR 10.3(4).

C. ADMITTED FACTS AND CONCLUSIONS

7. RS and Horrocks agree with and rely upon the admitted facts and conclusions which are set out in the Statement of Allegations attached as Appendix "A" to this Settlement Agreement.

D. DISPOSITION

8. For the contraventions in paragraph 6 above, Horrocks and RS agree to the following disposition:

- (a) A fine of \$10,000.00 payable by Horrocks to RS; and,
- (b) Costs of \$2,000.00 payable by Horrocks to RS.

9. If this Settlement Agreement is accepted by a Hearing Panel, Horrocks agrees to pay the amount referred to in paragraph 8 within 30 days of such acceptance.

E. PROCEDURES FOR ACCEPTANCE OF OFFER OF SETTLEMENT AND APPROVAL OF SETTLEMENT AGREEMENT

10. Horrocks must accept this Offer by signing and serving this Offer of Settlement to RS's Vancouver Office before **Thursday, 22 May 2008, 1630 PDT. If Horrocks fails to do so, this Offer expires at that time.**
11. This Settlement Agreement shall be presented to a Hearing Panel at a public hearing (the "Approved Hearing") held for the purpose of approving the Settlement Agreement, in accordance with the procedures described in UMIR Policy 10.8 in addition to any other procedures as may be agreed upon between the parties. Horrocks acknowledges that RS shall notify the public and media of the Approval Hearing in such manner and by such media as RS sees fit.

12. Pursuant to Part 3.4 of UMIR Policy 10.8, the Hearing Panel may accept or reject this Settlement Agreement.
13. In the event the Settlement Agreement is accepted by a Hearing Panel, the matter becomes final, there can be no appeal or review of the matter, the disposition of the matter agreed upon in this Settlement Agreement will be included in the permanent record of RS in respect of Horrocks, and RS will publish a summary of the Requirements contravened, the facts, and the disposition agreed upon in the Settlement Agreement.
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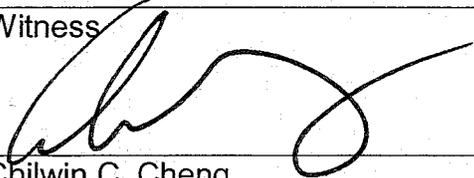
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Steve Horrocks

Date of Respondent Signature

Witness

Date of Witness Signature

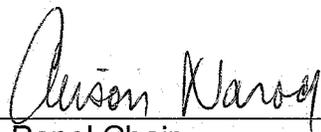


Chilwin C. Cheng
Chief Counsel and Acting Manager
of Western Region

21 MAY 2008

Date of RS Signature

This foregoing Settlement Agreement is hereby accepted this day of
2008, by the following hearing panel constituted to review the terms thereof:



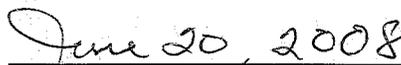
Panel Chair



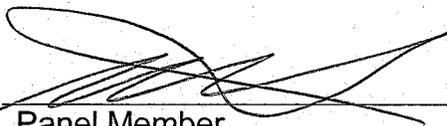
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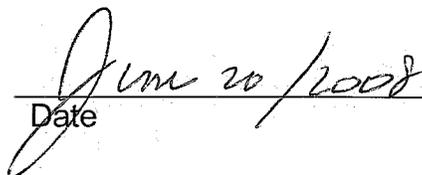
Panel Member



Date



Panel Member



Date