

# 2012 BCSECCOM 103

## Reciprocal Order

### Brian N. Lines and Scott Lines

#### Section 161 of the *Securities Act*, RSBC 1996, c. 418

##### Introduction

- ¶ 1 This is an order under sections 161(1) and 161(6)(d) of the *Securities Act*, RSBC 1996, c. 418.

##### Background

- ¶ 2 On October 14, 2010, the United States District Court Southern District of New York entered a judgment against Brian N. Lines and Scott Lines in a civil proceeding, following their agreement with the Securities and Exchange Commission to be subject to sanctions. These SEC sanctions
1. permanently restrained the Lines from violating numerous provisions in the *Securities Act of 1933* and the *Securities and Exchange Act of 1934*;
  2. ordered Scott Lines for two years and Brian Lines for three years to comply with specified undertakings, including not to trade penny stock within the meaning of the 1934 Act that are publicly quoted or displayed on the OTC Bulletin Board Montage, Pink Sheets, or the ArcaEdge electronic limit order file;
  3. ordered the Lines and Lines Overseas Management Ltd., LOM Securities (Bermuda) Ltd., LOM Securities (Bahamas) Ltd., LOM Securities (Cayman) Ltd. and LOM Capital Ltd. jointly and severally to pay disgorgement of US\$1,277,403 and prejudgment interest of US\$654,918; and
  4. ordered Scott Lines to pay a civil penalty of US\$50,000 and Brian Lines to pay a civil penalty of US\$100,000.
- ¶ 3 The Lines have a connection to British Columbia. In May 2004, the executive director issued a notice of hearing naming LOM (Holdings), LOM Securities (Bahamas), LOM Securities (Bermuda), LOM Securities (Cayman), Lines Overseas Management, Brian Lines, Scott Lines, and others, and alleging that Lines Overseas Management traded shares of a British Columbia reporting issuer through accounts at investment dealers in British Columbia. Brian Lines and Scott Lines were directors of Lines Overseas Management and, respectively, its President and Managing Director. (In January 2005, the Commission dismissed the notice of hearing.)

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- ¶ 4 We have given the Lines an opportunity to be heard. We have considered staff's application, the Lines' connection to our jurisdiction, the Lines' submissions, and the seriousness of the SEC sanctions to which the Lines have consented.

### **Order**

- ¶ 5 Considering it to be in the public interest, we order:

#### ***Brian N. Lines***

1. under section 161(1)(b) of the Act, that Brian N. Lines cease trading in, and is prohibited from purchasing, securities and exchange contracts until October 14, 2013; and

#### ***Scott Lines***

2. under section 161(1)(b) of the Act, that Scott Lines cease trading in, and is prohibited from purchasing, securities and exchange contracts until October 14, 2012.

- ¶ 6 April 2, 2012

- ¶ 7 **For the Commission**

Brent W. Aitken  
Vice Chair

Don Rowlatt  
Commissioner