

**The Falls Capital Corp., Deercree Construction Fund Inc.,  
West Karma Ltd. and Rodney Jack Wharram**

***Securities Act, RSBC 1996, c. 418***

**Hearing**

<b>Panel</b>	Nigel P. Cave	Vice Chair
	Judith Downes	Commissioner
	George C. Glover, Jr.	Commissioner
	Don Rowlatt	Commissioner

**Hearing dates** April 7, 8, 9, 11, 14, 15, 16,  
October 28,  
November 13 and 21, 2014

**Date of Supplemental Findings** March 2, 2015

**Appearing**

Paige Leggat  
(April 7-9, 11, 14-16,  
October 28, 2014)  
Olubode Fagbamiye

For the Executive Director

Rodney Wharram

For the Respondents

**Supplemental Findings**

**I Introduction**

- ¶ 1 We released our findings on this matter on February 11, 2015 (Findings).
- ¶ 2 Following the release of those Findings, we received supplemental submissions from the parties on one of our findings. Those submissions and our further review of the evidence have led us to issue these supplemental findings. These supplemental findings must be read with our Findings (as modified herein) to form the entirety of our findings on this matter.
- ¶ 3 In paragraphs 66 and 115 of our Findings we state that \$64,000 from the Falls' sale of claim proceeds was deposited in a West Karma bank account. Upon further review of the evidence, we find that the \$64,000 was deposited in a Falls' bank account.
- ¶ 4 Further, in paragraphs 68 and 69 of our Findings we indicated that the respondents submitted that a record of a deposit into a West Karma bank account evidenced a repayment of nearly all of the \$47,500 that Wharram had taken for his personal expenses from the sale of claim proceeds. The respondents submitted that a record of a deposit into a Falls' bank account evidenced this repayment.

- ¶ 5 We reiterate our comments in paragraph 69 of our Findings, that the respondents' submissions that these amounts constituted repayment of the funds taken from the Falls' bank account for personal expenses are simply that, submissions and not evidence.
- ¶ 6 Accordingly, we rescind our finding that West Karma committed fraud contrary to section 57(b) with respect to this \$64,000, which the evidence shows was deposited into a Falls' bank account.
- ¶ 7 From that \$64,000, however, we find that Wharram took \$47,500 for personal expenses. Therefore we find that Wharram and Falls contravened section 57(b) with respect to this \$47,500. For the reasons set out in paragraphs 67 to 69 of our Findings, we find that Wharram did not repay this \$47,500.
- ¶ 8 For greater clarity, we restate our findings on the various respondents' liability with respect to section 57(b), set out in paragraphs 133, 142 and 152 as follows:
- a) Wharram and Falls breached section 57(b) when they took \$47,500 directly from a Falls' bank account and used it for Wharram's personal expenses;
  - b) Wharram, West Karma and Falls breached section 57(b) when they took \$75,000 from Falls, deposited it into a West Karma account and then used it for Wharram's personal expenses;
  - c) Wharram, West Karma and Deercrest breached section 57(b) when they took \$130,000 from Deercrest, deposited it into a West Karma account and then used it for Wharram's personal expenses; and
  - d) Wharram and Deercrest breached section 57(b) when they took \$265,000 directly from Deercrest's bank accounts and used it for Wharram's personal expenses.

¶ 9 March 2, 2015

¶ 10 **For the Commission**

Nigel P. Cave  
Vice Chair

George C. Glover, Jr.  
Commissioner

Judith Downes  
Commissioner

Don Rowlatt  
Commissioner