

2002 BCSECCOM 860

Temporary Order and Notice of Hearing

Michael Conn Enns, also known as Mike Enns

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

- ¶ 1 A hearing (the Hearing) will be held to give Michael Conn Enns, also known as Mike Enns (Enns), an opportunity to be heard before the British Columbia Securities Commission considers whether it is in the public interest to make the following orders:
1. under section 161(1)(b) of the Act that Enns cease trading in and be prohibited from purchasing any securities or exchange contracts;
 2. under section 161(1)(c) of the Act that any or all of the exemptions described in sections 44 to 47, 74, 75, 98 or 99 of the Act do not apply to Enns;
 3. under section 161(1)(d)(i) of the Act that Enns resign any position that he holds as a director or officer of any issuer;
 4. under section 161(1)(d)(ii) of the Act that Enns be prohibited from becoming or acting as a director or officer of any issuer;
 5. under section 161(1)(d)(iii) of the Act that Enns be prohibited from engaging in investor relations activities;
 6. under section 161(2) of the Act that Enns pay an administrative penalty;
 7. under section 174 of the Act that Enns pay prescribed fees or charges for the costs of, or related to, the Hearing; and
 8. any other orders as may be appropriate in the circumstances.

Facts

- ¶ 2 The Commission will be asked to consider the following facts and allegations in making its determinations:
1. Enns was a resident of British Columbia at all relevant times.
 2. Enns has never been registered in any capacity under the Act.

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3. From at least July 2001 to September 2002 Enns solicited money from residents of British Columbia (the Investors). In making his solicitations Enns represented that he would use the Investors' money to trade in securities on their behalf.
4. Enns falsely represented that he was registered under the Act.
5. The Investors gave Enns money on the strength of his representations.
6. Enns used money he had received from the Investors for his own purposes.
7. Enns falsely reported to the Investors that the investments he purported to have made on their behalf were performing well.
8. Enns made the false reports both orally and through forged documents that purported to be account statements of an investment dealer.

Potential Breaches

9. During the relevant time Enns committed breaches of:
 - (a) section 34(1)(c) of the Act, by holding himself out as a portfolio manager without the required registration or the ability to rely on any exemptions from registration;
 - (b) section 50(1)(d), by making misrepresentations about the trading activity that he undertook or purported to undertake on behalf of other persons; and
 - (c) section 57 of the Act, by taking funds that had been entrusted to him by other persons for securities trading purposes and using them for his own purposes.
- ¶ 3 The Executive Director considers the length of time to hold a hearing under section 161(1) of the Act could be prejudicial to the public interest.
- ¶ 4 The Executive Director, considering that it would be in the public interest to do so, orders under section 161 of the Act that Enns cease trading in, and is prohibited from purchasing, any securities or exchange contracts until October 15, 2002 (the Temporary Order).
- ¶ 5 The Hearing will be held at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, BC, on Tuesday, October 15, 2002, at 10:00 am.

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- ¶ 6 At the Hearing the staff of the Commission will bring the following applications:
1. that the matter be adjourned for 180 days to permit the conclusion of the investigation in this matter; and
 2. that the Temporary Order be extended until such time as the Hearing is completed and a decision rendered.
- ¶ 7 Enns may be represented by counsel at the Hearing and may make representations and lead evidence. Enns is requested to advise the Commission of his intention to attend by contacting the Commission Secretary at PO Box 10142, Pacific Centre, 5th Floor, 701 West Georgia Street, Vancouver, BC, V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 8 Determinations may be made in this matter if Enns or his counsel do not appear at the Hearing.
- ¶ 9 October 7, 2002
- ¶ 10 Stephen J. Wilson
Executive Director