

# 2004 BCSECCOM 384

## Amended Notice of Hearing Under Section 161

**Davis & Davis Personal and Professional Development Seminars Ltd.,  
Lauron Enterprises Inc., and 3021310 Nova Scotia Inc.**

^  
and

**Laurie J. ^ Davis and Ronald G. Davis ^**

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

- ¶ 1 A hearing will be held (the Hearing) to give Davis & Davis Personal and Professional Development Seminars Ltd., Lauron Enterprises Inc., and 3021310 Nova Scotia Inc. (collectively, the Corporate Entities) and Laurie J. ^ Davis and Ronald G. Davis (all collectively, the Respondents) an opportunity to be heard before the British Columbia Securities Commission considers whether it is in the public interest to make the following orders:
- 1.1 under section 161(1)(b) of the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act), that all persons cease trading in the securities of the Corporate Entities ^;
  - 1.2 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 the Respondents;
  - 1.3 under section 161(1)(d) of the Act, that Laurie J. Davis (Laurie Davis) and Ronald G. Davis (Ronald Davis) resign any position each holds as a director or officer of any issuer and be prohibited from becoming, or acting as, a director or officer of any issuer;
  - 1.4 under section 161(1)(d) of the Act, that Laurie Davis and Ronald Davis be prohibited from engaging in any investor relations activities;
  - 1.5 ^
  - 1.6 under section 174 of the Act that each of the Respondents pay the prescribed fees or charges for the costs of, or related to, the Hearing; and
  - 1.7 any other orders as may be appropriate in the circumstances.

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- ¶ 2 The Commission will be asked to consider the following facts and allegations in making its determinations:
- 2.1 Davis and Davis Personal and Professional Development Seminars Ltd. (Davis & Davis), Lauron Enterprises Incorporated (Lauron), and 3021310 Nova Scotia Ltd. (3021310) were each ^ incorporated in the Province of Nova Scotia.
  - 2.2 At all material times, Laurie ^ Davis nee Jeffers, a resident of Nova Scotia, was a director and the Vice-President of Davis & Davis, 3021310, and Lauron.
  - 2.3 At all material times, Ronald ^ Davis ^, a resident of Nova Scotia, was a director and the President of Davis & Davis, 3021310, and Lauron.
  - 2.4 ^
  - 2.5 None of the Respondents have been registered in any capacity under the Act.
  - 2.6 None of the Corporate Entities have filed a preliminary prospectus, prospectus or offering memorandum with the Commission.
  - 2.7 On April 29, 1999, the Nova Scotia Securities Commission issued a Temporary Cease Trade Order ^ ordering the Respondents to cease trading in ^ the securities of a personal empowerment program known as the PEP Program, contrary to the prospectus and registration requirements of the *Securities Act*, R.S.N.S. 1989, Chapter 418, as amended.
  - 2.8 On July 27, 1999, staff of the Prince Edward Island (P.E.I.) Securities Commission filed an Information charging the Respondents with, among other things, trading in securities between February 11, 1999 and March 25, 1999, without being registered as a broker or salesman of a registered broker, contrary to the ^ registration requirements of the *Securities Act*, 1988 R.S.P.E.I., Cap S-3 (the P.E.I. Securities Act). ^
  - 2.9 ^
  - 2.10 ^
  - 2.11 ^

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2.12 At their trial the Respondents admitted that they were not registered as brokers or salesmen of a registered broker under the P.E.I. *Securities Act*.

2.13 On August 28, 2002 the P.E.I. Provincial Court found the Respondents guilty and on October 9, 2002 they were sentenced (the Criminal Conviction). The court found:

2.13.1 Laurie Davis with the assistance of her husband Ronald Davis developed the PEP Program.

2.13.2 Davis and Davis owned the program and the trademark.

2.13.3 3021310 was incorporated to hold the property known as Brentwood which was a facility used in connection with the training and development of the PEP Program and to own any other equipment or machinery connected with the business.

2.13.4 Lauron was a holding company that dealt with any funds that were raised on behalf of the PEP Program.

2.13.5 Laurie Davis and Ronald Davis were directors and officers of Davis and Davis, 3021310, and Lauron.

2.13.6 Laurie Davis spoke to residents of P.E.I. about the PEP Program and how it could help people change their lives and solicited investments in the PEP Program.

2.13.7 Between February 11, 1999 and March 25, 1999, 13 people invested \$53,000 in the PEP Program. Laurie Davis admitted that much more than this was actually raised in P.E.I. In return for their respective investments, each investor received a promissory note that stated that they would receive a 25% annual rate of return on their investment.

2.13.8 The promised returns were not paid.

2.13.9 None of the Corporate Entities made any filings with the PEI Securities Commission.

2.13.10 The Court sentenced:

(a) Laurie Davis to 90 days imprisonment and a fine of \$1,000;

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- (b) Ronald Davis to 30 days imprisonment and a fine of \$1,000; and
- (c) ordered that each of the Corporate Entities pay a \$3,333 fine.

### **Activity in British Columbia**

2.14 ^ Between November 15 and 20, 2000, ^ Laurie Davis, Ronald Davis, and an agent made presentations to residents of British Columbia, in both public and private forums, for the purpose of soliciting investments in the PEP Program.

2.15 Laurie Davis and others also promoted the PEP Program on a radio program that was broadcast on a Vancouver, British Columbia radio station.

2.16 ^

2.17 ^

2.18 ^

### **Temporary Order**

¶ 3 The Executive Director, considering that it would be in the public interest to do so, and that the length of time required to hold a hearing could be prejudicial to the public interest, made orders on December 1, 2000 under section 161(2) of the Act (the Temporary Orders).

¶ 4 On January 5, 2000, the Commission extended the Temporary Orders until a hearing is held and a decision made.

### **Orders in the Public Interest**

¶ 5 It would be in the public interest as set out in section 161 of the Act, to prohibit the Respondents from operating in the capital markets of British Columbia because of the following:

5.1 the Criminal Conviction;

5.2 the fact they have engaged in the same line of business in British Columbia that led to their Criminal Conviction; and

5.3 on any other basis upon which the Commission deems appropriate to make an order.

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- ¶ 6 AND TAKE NOTICE that the Hearing will be commenced before the Commission at the 12<sup>th</sup> Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on February 14 and 15, 2005 at 10:00 a.m.
- ¶ 7 AND TAKE NOTICE that the Respondents may be represented by counsel at the Hearing, and make representations and lead evidence. The Respondents are each requested to advise the Commission of its intention to attend the Hearing by informing the Secretary to the Commission in writing to P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia, V7Y 1L2, or by telephone to (604) 899-6500.
- ¶ 8 AND TAKE NOTICE that determinations may be made in this matter if the Respondents or their respective counsel do not appear at the Hearing.
- ¶ 9 DATED at Vancouver, British Columbia, on June 18, 2004.
- ¶ 10 Brenda M. Leong  
A/Executive Director