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IN THE MATTER OF THE SECURITIES ACT
R.S.B.C. 1996, c. 418

AND

IN THE MATTER OF CORPORATE EXPRESS INC., ALSO KNOWN AS
CORPORATE EXPRESS CLUB AND CORPORATE EXPRESS CLUB (CEC) 1998,
FORTRESS INTERNATIONAL LTD. AND GREAT AMERICAN GOLD LTD. ^

AND

IN THE MATTER OF JOHN THOMAS MCCARTHY AND
CAMERON WILLARD MCEWEN ^ ^

(COLLECTIVELY, THE "RESPONDENTS")

Further Amended ^ Notice of Hearing Under Section 161

On July 13, 2004, the British Columbia Securities Commission ruled (the Ruling) that Commission staff proceed with this matter under the original December 9, 1999 Notice of Hearing, amended to:

- (a) remove Offshore Knowledge Network, Patrick Thomas Stojak and Lynn Ilene Sorsdahl as Respondents; and
- (b) include only paragraphs 22 to 27, inclusive, of the June 7, 2004 Amended Notice of Hearing.

On September 14, 2004 the Commission directed the staff of the Commission to produce an amended Notice of Hearing to reflect the terms of the Ruling, as follows:

1. WHEREAS it appears to the Executive Director of the British Columbia Securities Commission (the "Commission"), that:

BACKGROUND

- 1.1 Corporate Express Inc. ("CEC") is a company incorporated in the Commonwealth of the Bahamas.
- 1.2 CEC is also known as Corporate Express Club and Corporate Express Club (CEC) 1998.

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- 1.3 The head office for CEC in the Province of British Columbia is located at 13711 – 72nd Avenue, Suite 545, Surrey, British Columbia.
- 1.4 Fortress International Ltd. (“Fortress”) is a company incorporated in the Commonwealth of the Bahamas. Fortress is affiliated or associated with CEC.
- 1.5 Great American Gold Ltd. (“GAG”) is a company incorporated in the Commonwealth of the Bahamas. GAG is affiliated or associated with CEC and Fortress.
- 1.6 ^
- 1.7 None of CEC, Fortress, or GAG, ^ (the “Corporate Respondents”) are reporting issuers in the Province of British Columbia. Further, none of the Corporate Respondents are registered in any capacity under the *Securities Act*, R.S.B.C. 1996, c. 418 (the “Act”).
- 1.8 John Thomas McCarthy (“McCarthy”) and Cameron Willard McEwen (“McEwen”), ^ (the “Individual Respondents”) are the principals of the Corporate Respondents.
- 1.9 Neither McCarthy nor ^ have ever been registered in any capacity under the *Act*.
- 1.10 ^
- 1.11 McEwen was formerly registered as a mortgage broker in British Columbia, however, he has never been registered in any capacity under the *Act*.
- 1.12 McCarthy is the President and McEwen is the Vice-President of Fortress. ^.

Allegations Against the Respondents

- 1.13 From in or about January 1998 until ^ December 9, 1999 (the “Material Time”), members of the public in British Columbia, Alberta and elsewhere have been offered the opportunity to become a member of CEC for \$350 U.S. Once a member of CEC, an individual is entitled to participate in the “Credit Enhancement Program”. The Credit Enhancement Program allows a CEC member to pursue the following investment opportunities:

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- 1.13.1 five year subscription program wherein the membership and subscription fees are pooled for investment (the “Membership Pool”);
- 1.13.2 Opportunity Investment Fund Programs (collectively the “OIF Programs”) which offer three options including: a pooled investment program with a minimum investment of \$5,000 U.S., a personal investment program with a minimum investment of \$50,000 U.S., and a pooled real estate program with a minimum investment of \$20,000 U.S.; and
- 1.13.3 GAG Convertible Debentures (“GAG Debentures”) at a subscription price of \$15,000 U.S. per unit

(collectively, the “Securities”).
- 1.14 It is represented to investors by the Respondents that the Membership Pool funds are invested with large trading and bank institutions around the world. Investors are told they are to receive 70% of the profits generated by the Membership Pool, with CEC receiving a percentage of the profits and CEC agents receiving a 20% sales commission.
- 1.15 Representations are made to prospective investors by the Respondents that returns on investments made through the OIF Programs have varied from 31% to 2,500% in the first three months after investment. Further, returns of up to 10,060% per year are said to be attainable through the OIF Programs. Investors are also told that the funds are subject to a low level of risk.
- 1.16 With regard to the GAG Debentures, representations are made to prospective investors by the Respondents that the “present value” of each of the GAG Debentures (which investors purchase for \$15,000 U.S.) is actually \$57,500 U.S. based upon the projected reserve estimates for the mineral claims held by GAG. Written materials represent that projected annual rates of returns on GAG Debentures will range from 208% up to 2,496%.
- 1.17 In materials delivered to prospective investors by the Respondents, it is represented that GAG will be listing its securities on one of the world’s “major international stock exchanges”, and that when the listing occurs, the value of GAG common stock will “appreciate dramatically”.

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- 1.18 It appears to staff of the Commission that each of the Securities offered through the Credit Enhancement Program of CEC constitute a security as defined under section 1 of the *Act*.
- 1.19 Neither a preliminary prospectus nor a prospectus has been filed with the Executive Director in order to qualify any of the Securities for distribution to the public in the Province of British Columbia.
- 1.20 Based on the investment program being offered by the Respondents as discussed in paragraphs 1.13 through 1.16 above, and given that there does not appear to be an available exemption from the registration and prospectus requirement of the *Act* available to the Respondents, it appears that the Respondents are contravening sections 34 and 61 of the *Act*.
- 1.21 It appears to staff of the Commission that representations are being made to investors by the Respondents with regard to the rates of return available through the investment program, in contravention of section 50(1)(b) of the *Act*.
- 1.22 It appears to staff of the Commission that representations are being made to investors by the Respondents regarding the listing of the shares of GAG on a major stock exchange, in contravention of section 50(1)(c) of the *Act*.
- 1.23 Temporary orders under section 161 of the *Act* (the Temporary Orders) were made against the Respondents when the Notice of Hearing was originally issued.
- 1.24 On January 5, 2000, after a hearing, the Commission extended the Temporary Orders until the Hearing is held and a decision is made.
- 1.25 The Temporary Orders remain in effect against the remaining Respondents, and among other things:
- (a) ceased trading in the Credit Enhancement Program, OIF Program and GAG Debentures;
 - (b) prohibited McEwen from engaging in investor relation activities; and
 - (c) prohibited McCarthy and McEwen from acting as a director or officer of any issuer, and required them to resign any position they might each have as a director or officer of any issuer.

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1.26. The Temporary Orders were breached when:

- (a) CEC, FIL, GAG, McEwen directed, assisted, authorized, permitted or acquiesced in creating and maintaining web sites related to CEC and GAG and their securities. These web sites were accessible in British Columbia, and made with the assistance of a British Columbia web design company after the Temporary Orders were in place.
- (b) McCarthy and McEwen remained directors or officers of British Columbia issuers.

1.27 In December 1999, Commission staff issued a Summons to Appear before an Investigator and a Demand for Production of Records and Things, both under section 144 of the *Act*, to McEwen (the Summons and the Demand respectively). McEwen Failed to comply with the Summons or the Demand.

1.28 Commission staff obtained an order of the British Columbia Supreme Court requiring McEwen to comply with the Demand and Summons (the Supreme Court Order). McEwen was unsuccessful in obtaining a stay of or appealing the Supreme Court Order. Nevertheless, McEwen has still not complied with the Demand or Summons, as required by the Supreme Court Order.

2. ^

3. ^

4. ^A hearing will be held ^ (the Hearing) to give the Respondents an opportunity to be heard before the Commission considers whether it is in the public interest to extend the Temporary Orders or make them permanent.

5. ^

6. ^ The Respondents herein may be represented by counsel at the Hearing and they may make representations and lead evidence. The Respondents are requested to advise the Commission of their intention to attend by contacting the Secretary to the Commission at 1200 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1L2.

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7. ^ Determinations may be made in this matter if the Respondents do not appear at the Hearing.

DATED at Vancouver, British Columbia, on December 9, 1999.

“Steve Wilson”
Executive Director

Amended July 13, 2004