

2004 BCSECCOM 592

Temporary Order and Notice of Hearing

**QuickEx Inc., David J. Rogerson,
Gregory Yanke, Stephen Spink and Paul Trennum**

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

- ¶ 1 A hearing will be held (the Hearing) to give QuickEx Inc. (QuickEx), David J. Rogerson (Rogerson), Gregory Yanke (Yanke), Stephen Spink (Spink) and Paul Trennum (Trennum) (collectively, the Respondents) an opportunity to be heard before the British Columbia Securities Commission considers whether it is in the public interest to make orders under sections 161, 162, and 174 of the *Securities Act*, RSBC 1996, c. 418.
- ¶ 2 The Commission will be asked to consider the following facts and allegations in making its determination:

Background

1. QuickEx was incorporated in Nevada on October 28, 1999. It is not a reporting issuer under the Act.
2. QuickEx's head office is located in British Columbia.
3. QuickEx's senior management is as follows:
 - (a) Rogerson is a director, former President and a resident of British Columbia;
 - (b) Yanke is a director, Secretary and a resident of British Columbia;
 - (c) Spink is the Vice President of Marketing/Investor Relations and a resident of British Columbia; and
 - (d) Trennum is the current President.(collectively, the Individuals)
4. The shares of QuickEx are quoted on the Pink Sheets in the United States.
5. In a January 28, 2004 filing with the United States Securities and Exchange Commission (SEC) QuickEx stated that all of its securities are being sold to British Columbia residents.

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Misrepresentations

6. On April 28, 2004, QuickEx launched a website that currently contains the following representations:
 - (a) QuickEx is engaged in providing foreign exchange services by operating automated foreign exchange machines (AFX Machines).
 - (b) QuickEx successfully launched operations in Vancouver in 2001 with four AFX Machines.
 - (c) These four AFX Machines are operational.
 - (d) QuickEx has AFX Machines strategically placed through out Canada and operate 24 hours a day, seven days a week.
 - (e) The AFX Machines accept up to 145 different denominations of currency.
7. The QuickEx website also states that earnings per share are projected to be between US \$0.07 and US \$0.29 (the Projection).
8. On April 28, 2004, QuickEx issued a news release announcing the launch of the website. The news release contained, among other things, the following statement:

QuickEx is the leading operator of Automated Foreign Currency Exchange Machines (AFX) and is making major strides to gain market share in the Automated Banking Machine Service (ABM) industry throughout North America.
9. The Individuals each authorized, permitted or acquiesced in the contents of the website and the press release.
10. A Commission investigator visited the AFX Machines located in Vancouver and observed the following:
 - (a) On April 27, 2004 the AFX Machine on Burrard Street was not operational;
 - (b) on April 30, 2004, the two Robson Street AFX Machines and the Denman Street AFX Machine were not operational;

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- (c) on August 30, 2004, the two Robson Street AFX Machines and the Burrard Street AFX Machine were not operational; and
 - (d) between September 24 and 27, the two Robson Street AFX Machines and the Burrard Street AFX Machine were not operational.
11. During the time period outlined in paragraph 10, the QuickEx website increased the Projection from US \$0.05 and US \$0.23 to US \$0.07 and US \$0.29.
 12. The Projection is contradicted by financial information contained in the company's January 28, 2004 SEC filing, which showed QuickEx operating at a deficit in its most recent fiscal year. QuickEx has over 23,000,000 shares issued. In order to make \$0.07 per share, QuickEx would require profits of over \$1,600,000.00.

Breaches of the Act and Conduct Contrary to the Public Interest

13. Through its website and while engaging in investor relations, QuickEx made statements that were false or misleading, contrary to section 50(1)(d) of the Act.
14. Through its website and while engaging in investor relations, QuickEx made the Projection, an undertaking relating to the future value of QuickEx shares, contrary to section 50(1)(b) of the Act.
15. In its press release and while engaging in investor relations, QuickEx made statements regarding the scope of the company's operations that were false or misleading, contrary to section 50(1)(d) of the Act.
16. The Individuals, as directors and officers of QuickEx, each authorized, permitted, or acquiesced the conduct outlined in paragraphs 13 through 15, contrary to sections 50(1)(b) and (d) and 168.2 of the Act.
17. The conduct of the Respondents as set out in this Notice of Hearing was contrary to the public interest

Temporary Order

- ¶ 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 and, considering that it would be in the public interest to do so, orders under section 161(2) of the Act (the Temporary Order) that:

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1. under section 161(1)(a) of the Act, the Respondents comply with or cease contravening the Act;
2. under section 161(1)(b) of the Act, all persons cease trading in the shares of QuickEx and the Individuals cease trading in and be prohibited from purchasing any securities; and
3. under section 161(1)(d) of the Act, the Individuals resign any position they each may hold as a director or officer of any issuer, and be prohibited from becoming or acting as a director or officer of any issuer and from engaging in investor relations activities

for a period expiring on November 2, 2004.

- ¶ 4 The Hearing will be held at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on November 2, 2004, at 10:00 am.
- ¶ 5 At the Hearing the staff of the Commission will ask the Commission to extend the Temporary Order until such time as a decision is rendered.
- ¶ 6 The Respondents may be represented by counsel at the Hearing and may make representations and lead evidence. The Respondents are requested to advise the Commission of their 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.
- ¶ 7 Determinations may be made in this matter if the Respondents or their counsel do not appear at the Hearing.
- ¶ 8 October 19, 2004
- ¶ 9 Brenda M. Leong
Executive Director