

2004 BCSECCOM 650

Notice of Hearing

Paul Robert Maudsley and Shaylor Management Ltd.

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

- ¶ 1 A hearing will be held (the Hearing) to give Paul Robert Maudsley (Maudsley) and Shaylor Management Ltd. (Shaylor), (collectively, the Respondents) an opportunity to be heard before the British Columbia Securities Commission considers whether it is in the public interest to make any orders under 161, 162 and 174 under the *Securities Act*, RSBC 1996, c. 418.
- ¶ 2 The Commission will be asked to consider the following facts and allegations in making its determinations:

The Parties

1. Maudsley was a registrant under the Act between January 10, 1995 and March 3, 2003, during which time he was employed by Investors Group Inc. (IG) as a mutual fund salesperson.
2. On March 3, 2003, IG terminated Maudsley for cause.
3. Shaylor was incorporated in British Columbia on October 17, 2000. A bank account was opened in its name Shaylor in White Rock, British Columbia (the Shaylor Account).

Misappropriation of Investor Money

4. Between 1996 and 2003, Maudsley, while employed at IG, solicited 25 clients (the IG Clients) to redeem over \$1.59 million of their mutual fund holdings and other investments (the Investor Funds).
5. Maudsley caused approximately \$850,000 of the Investor Funds to be deposited to the Shaylor Account.
6. Maudsley falsely represented to IG Clients that their money had been invested in securities. None of the Investor Funds were ever invested. Instead, Maudsley withdrew the Investor Funds from the Shaylor Account and used them for his own personal use.

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Breaches of the Act

7. Maudsley and Shaylor engaged in transactions or a series of transactions, which perpetrated a fraud on persons in British Columbia contrary to sections 57 and 57.1 of the Act.
8. Maudsley failed to deal fairly, honestly and in good faith with his clients contrary to section 14(2) of the *Securities Rules*, BC Reg. 194/97, as amended (Rules).
9. The Respondents' conduct as set out in this notice was contrary to the public interest.

¶ 3 The Respondents may be represented by counsel at the Hearing, and make representations and lead evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Commission Secretary at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.

¶ 4 The Respondents or their counsel, are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Wednesday, December 1, 2004, at 9:00 am if they wish to be heard before the Commission sets a date for the Hearing.

¶ 5 Determinations may be made in this matter if the Respondents, or their counsel, do not appear at the Hearing.

¶ 6 November 15, 2004

¶ 7 Brenda M. Leong
Executive Director