

# 2007 BCSECCOM 49

## Notice of Hearing

Laurence Michael Schlosser

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

- ¶ 1 The Commission will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against Laurence Michael Schlosser under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418, based on the following facts:

#### **Background**

1. Laurence Michael Schlosser (Schlosser) is a businessman who resides in Vancouver, British Columbia and has never been registered under the Act.
2. Schlosser carried on business in the name of Global Village West Marketing Group (Global Village). He was the sole principal behind this venture and the only person who performed any work for it. He represented Global Village as a British Columbia company in the business of selling advertising on outdoor waste receptacles and bicycle racks.
3. Schlosser has never filed a prospectus under the Act in respect of any securities of Global Village.

#### **Misconduct**

##### ***Illegal Trading and Distribution***

4. From December 2000 to January 2005, Schlosser promoted and offered the securities of Global Village for sale to investors in British Columbia.
5. Schlosser sold approximately \$288,000 of Global Village securities to 11 British Columbia investors. The securities were in the form of promissory notes made out to the investors who paid for them primarily with bank drafts.
6. By distributing Global Village securities without having filed or obtained a receipt for a prospectus, Schlosser contravened sections 34 and 61 of the Act.

##### ***Misrepresentations***

7. Among other things, Schlosser made the following statements to prospective investors while promoting the securities of Global Village:
  - (a) Global Village was soon to become an incorporated company;

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- (b) Global Village waste receptacles were designed and manufactured by Rubbermaid and were already in service;
- (c) Global Village had already secured contracts with large established companies such as Adidas and TaylorMade Golf to purchase advertising space on the waste receptacles; and
- (d) Global Village was about to be purchased by a large American advertising firm called Lamar Advertising Company.

These statements were untrue.

- 8. Schlosser, in connection with promoting and distributing the securities of Global Village, made statements he knew, or ought to have known, were misrepresentations, contrary to section 50(1) (d) of the Act.

### ***Fraud***

- 9. Schlosser knew that the promotional statements he made to prospective investors were false. Furthermore, Schlosser spent a large part of the money raised from investors for his own personal use.
- 10. None of the investors received any return on their investments.
- 11. Schlosser participated in a series of transactions that he knew, or ought reasonably to have known, perpetrated a fraud on a person in British Columbia or elsewhere, contrary to section 57 of the Act.

### **Hearing Process**

- ¶ 2 At the Hearing, the Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is requested to advise the Commission of his intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 3 The Respondent or his counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Monday, February 5, 2007 at 9:30 am if they wish to be heard before the Commission sets a date for the Hearing.
- ¶ 4 If the Respondent or his counsel do not appear at the Hearing, the Executive

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Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in his absence.

¶ 5 January 18, 2007

Brenda Leong

¶ 6 Brenda M. Leong  
Executive Director