

2010 BCSECCOM 137

Temporary Order and Notice of Hearing

Microline Veneer & Forest Products Corp. and Peter William Arthur Wise

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 Microline Veneer & Forest Products Corp. (Microline) and Peter William Arthur Wise (Wise) (collectively, the Respondents) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. Microline is a British Columbia (BC) Company incorporated in 2005. Microline has never registered, or filed a prospectus, under the Act.
2. Wise, a resident of BC, is a director of Microline and responsible for the distribution of Microline securities (Securities) since December 14, 2006.
3. Wise is a certified financial planner, a licensed insurance salesperson, and was registered under the Act as a mutual fund salesperson from 1998 until December 2005.

Illegal Distribution and Unregistered Trading

4. From about January until June 2007, the Respondents distributed the Securities to about 35 investors for proceeds about \$2.77 million dollars.
5. Microline purported to rely on the Private Issuer Exemption, which did not apply in the circumstances. No exemption from the prospectus and registration requirements was available for about 27 investors and about \$1 million dollars of Securities.
6. On February 19, 2010, the Inquiries line of the Commission received a complaint from an investor who purchased Securities from Wise in August, 2009 (the 2009 Investor).
7. The 2009 Investor provided a January 14, 2010 Press Release in the name of Microline that sets out plans to:
 - (a) raise \$4-10 million dollars; and

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- (b) take steps to make the Securities publicly traded through a company listed on the “pink sheets”, an electronic trading and quotation system based in the United States.
- 8. The Respondents traded and distributed the Securities contrary to sections 34 and 61 of the Act.
- 9. Wise, as director of Microline, authorized, permitted or acquiesced in Microline’s contraventions of sections 34 and 61 of the Act, and therefore contravened the same provisions under section 168.2 of the Act.

Conduct Contrary to the Public Interest

- 10. The Respondents’ conduct as set out in this Notice was contrary to the public interest.
- 11. Commission staff is concerned that it would be prejudicial to the public interest to permit trading in the Securities, or other activities in the securities market in British Columbia by any of the Respondents, until Commission staff makes further inquiries and/or a hearing is held and a decision is rendered.

Temporary Order

- ¶ 2 The Executive Director, under section 161(2) of the Act, 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 (the Temporary Order):
 - (a) under section 161(1)(b)(i) of the Act, that all persons cease trading in the Securities;
 - (b) under section 161(1)(b)(ii) of the Act, that Wise cease trading in any securities, except that Wise may trade securities through any existing accounts exclusively in his own name through a registered representative if he provides a copy of this Order to the registered representative before any trade;
 - (c) under section 161(1)(c) of the Act, that all of the exemptions from the Act set out in the regulations do not apply to any of the Respondents; and
 - (d) under sections 161(1)(d)(ii)-(v) of the Act, that Wise is prohibited from:
 - (i) becoming or acting as a director or officer of any issuer, registrant or investment fund manager;

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- (ii) as a registrant, investment fund manager or promoter;
- (iii) acting in a management or consultative capacity in connection with activities in the securities market; and
- (iv) from engaging in investor relations activities,

for a period expiring on March 25, 2010, at 10:00 am, or the date the Commission extends the Temporary Order.

12. A hearing (the Hearing) will be held at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on March 25, at 10:00 am.
13. At the Hearing, the Executive Director will ask the Commission to extend the Temporary Order until a hearing is held and a decision is rendered, and to set dates for a hearing on the allegations in the Notice of Hearing.
14. The Parties may be represented by counsel at the Hearing, and at further hearings, and may make representations and lead evidence. The Parties are requested to advise the Commission of their intention to attend by contacting the Secretary to the Commission at PO Box 10142, Pacific Centre, 12th Floor, 701 West Georgia Street, Vancouver, BC, V7Y 1L2, phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
15. If the Respondents or their counsel do not appear at the Hearing or at further hearings, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
16. March 10, 2010

Martin Eady
17. Martin Eady
Acting Executive Director

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