

# 2010 BCSECCOM 639

## Notice of Hearing

**John Arthur Roche McLoughlin, MCL Ventures Inc., Blue Lighthouse Ltd.  
and Robert Douglas Collins  
(collectively, the Respondents)**

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

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against 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. Blue Lighthouse Ltd. (BLL) was incorporated in Northern Ireland. BLL purported to possess an archive on shipwrecks that carried valuable cargo at the time of their sinking during World War I and World War II.
2. Robert Douglas Collins, also known as Roy Collins (Collins) is a resident of Northern Ireland. He is a director of BLL.
3. MCL Ventures Inc. (MCL) was incorporated and had an office in Victoria, British Columbia. MCL was an agent of BLL in British Columbia.
4. John Arthur Roche McLoughlin (McLoughlin) is a resident of Victoria, British Columbia. He is the only director and officer of MCL.

#### **Misconduct**

##### ***Illegal Trading and Distribution of Securities***

5. From March 2009 to April 2010 (the Relevant Period), the Respondents raised approximately \$312,000 by selling BLL securities to 22 investors (the Investors), most of whom were residents of British Columbia (the Distributions). The Investors were to receive a percentage of proceeds from salvage operations conducted on shipwrecks from BLL's archive.
6. No prospectus has been filed with the Commission for the distribution of BLL securities and none of the Respondents were registered under the Act during the Relevant Period.
7. No exemptions from the registration and prospectus requirements under the Act applied to the Distributions.

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8. By trading and distributing securities without being registered or having filed a prospectus, the Respondents contravened sections 34 and 61 of the *Act*.
9. McLoughlin as the director of MCL authorized, permitted or acquiesced in MCL's contraventions of sections 34 and 61 of the *Act* and, therefore, he also contravened the same provisions under section 168.2 of the *Act*.
10. Collins as a director of BLL authorized, permitted or acquiesced in BLL's contraventions of sections 34 and 61 of the *Act* and, therefore, he also contravened the same provisions under section 168.2 of the *Act*.

### ***Breach of Order***

11. On February 28, 2001, McLoughlin entered into a settlement agreement with the Executive Director in connection with an illegal distribution of securities of Grandby Development Corporation.
12. Under the agreement, McLoughlin consented to an order (the Order) prohibiting him from becoming or acting as a director or officer of any issuer, engaging in investor relations activities on behalf of any issuer, or trading in any securities until the expiry of five years after he fulfilled certain conditions. The Order remains in effect as McLoughlin has not met the required conditions or applied to have it revoked or varied.
13. By trading in BLL securities, engaging in investor relations activities and acting as a director of MCL while being prohibited from doing so, McLoughlin breached the Order.

### ***Public interest***

14. The conduct of the Respondents as set out in this Notice of Hearing was contrary to the public interest.

### **Hearing Process**

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, BC, on **December 21, 2010, at 10 am** if they wish to be heard before the Commission sets a date for the Hearing. Disclosure of the evidence in this case will be provided to the Respondents upon their or their counsel's request to the Executive Director.
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 12<sup>th</sup> Floor - 701 West Georgia

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Street, Vancouver, BC V7Y 1L2; phone: (604) 899-6500; email:  
commsec@bcsc.bc.ca.

¶ 4 If the Respondents or their counsel do not appear at the Hearing, 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.

¶ 5 November 24, 2010

Paul C. Bourque

¶ 6 Paul C. Bourque, Q.C.  
Executive Director