

# 2011 BCSECCOM 2

## Notice of Hearing

### Don Maxwell

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

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

#### **Background**

1. Don Maxwell is a mortgage broker and a resident of British Columbia. Maxwell has never been registered to trade in securities.
2. Gold-Quest International (Gold-Quest) was a company that had its office in Las Vegas, Nevada. Gold-Quest was purportedly involved in foreign exchange markets (forex) trading. Gold-Quest has not filed a prospectus under the Act.
3. Maxwell was a finder for Gold-Quest and received compensation for every investor he referred to Gold-Quest.
4. The Commission issued an Investor Alert about Gold-Quest on March 5, 2008 and a Cease Trade Order against Gold-Quest on March 7, 2008.

#### **Misconduct**

5. Between June 2007 and April 2008 (the Relevant Period), Maxwell provided promotional information to one of his mortgage clients (the Client) about investing in Gold-Quest.
6. Maxwell's Client invested three times in Gold-Quest for a total investment of USD \$343,000.
7. In order for the Client to make her first investment of USD \$100,000, Maxwell assisted the Client with the remortgaging of her property.
8. In order for the Client to make her second investment of USD \$123,000, Maxwell assisted the Client with obtaining a personal line of credit on one of her properties.

## 2011 BCSECCOM 2

9. Maxwell's Client made her third investment of USD \$120,000 after Maxwell assured her that the Investor Alert and a news article about the Investor Alert was an attempt to discredit Gold-Quest and that he remained confident that Gold-Quest was still a good investment opportunity.
10. By trading and distributing USD \$343,000 of Gold-Quest securities to his Client for which a prospectus has not been filed and without being registered, Maxwell contravened sections 34 and 61 of the Act.

### **Hearing Process**

- ¶ 2 Maxwell or his counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on January 26, 2011, at 10:00 am if he wishes to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to Maxwell upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondent Maxwell may be represented by counsel, make submissions and tender evidence. Maxwell 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.
- ¶ 4 If Maxwell or his counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to Maxwell may be made in his absence.
- ¶ 5 January 4, 2011

Paul C. Bourque

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