

2011 BCSECCOM 482

Notice of Hearing

JV Raleigh Superior Holdings Inc., Maisie Smith (aka Maizie Smith) and Ingram Jeffrey Eshun

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

- ¶ 1 The Commission will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against JV Raleigh Superior Holdings Inc., Maisie Smith (aka Maizie Smith) and Ingram Jeffrey Eshun under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418, based on the following facts:

Background

1. JV Raleigh Superior Holdings Inc. (JV Raleigh) is a British Columbia company with a registered office in Vancouver, British Columbia.
2. Maisie Smith, aka Maizie Smith (Smith), is a resident of Langley, British Columbia.
3. Ingram Jeffrey Eshun (Eshun) is a resident of Ontario.
4. Eshun and Smith each owned 50% of JV Raleigh and were its only directors.

Illegal Trading and Distribution of Securities

5. JV Raleigh, Smith and Eshun have never been registered to trade securities under the Act.
6. JV Raleigh has not filed a prospectus under the Act.
7. Between July 2006 and January 2009, JV Raleigh entered into loan agreements (the Loan Agreements) raising approximately \$5,700,000.00.
8. Under the Loan Agreements, JV Raleigh was to:
 - (a) borrow money from investors;

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- (b) use investor money to purchase “consumer secured notes receivable which JV Raleigh described as “a form of factoring” with typically “high yields.”
 - (c) provide investors a monthly “Return of Capital” payment; and
 - (d) return the balance of the investment, plus interest, at a later date.
9. The Loan Agreements are securities as defined in section 1 of the Act.
10. Smith:
- (a) met with investors in British Columbia and assisted them in entering into the Loan Agreements;
 - (b) explained the Loan Agreements to investors;
 - (c) signed Loan Agreements on behalf of JV Raleigh;
 - (d) opened bank accounts in British Columbia where investor funds were deposited (the Accounts); and
 - (e) was an authorized signatory on the Accounts.
11. Eshun:
- (a) opened the Accounts with Smith; and
 - (b) was an authorized signatory on the Accounts.
12. By engaging in the conduct outlined above, the JV Raleigh, Smith and Eshun traded and distributed securities contrary to sections 34 and 61 of the Act.
13. Smith and Eshun, as the sole directors of JV Raleigh authorized, permitted or acquiesced in JV Raleigh’s contraventions of sections 34 and 61 of the Act, and therefore contravened the same provisions under section 168.2 of the Act.

Public Interest

- ¶ 2 It is in the public interest that the Commission issue orders under section 161 and 162 of the Act.

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Hearing Process

- ¶ 3 The Respondents or their counsel are required to attend at the 12th floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on November 14, 2011 if they wish 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 the Respondents upon request to the Executive Director.
- ¶ 4 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, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 5 If the Respondents or their 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 the Respondents may be made in their absence.
- ¶ 6 October 20, 2011

Paul Bourque
- ¶ 7 Paul C. Bourque Q.C.
Executive Director