

2012 BCSECCOM 101

Notice of Hearing

**Myron Sullivan II a.k.a. Fred Myron George Sullivan,
Global Response Group (GRG) Corp., and
IMC – International Marketing of Canada Corp.
(collectively, the Respondents)**

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 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. Myron Sullivan II a.k.a. Fred Myron George Sullivan (Sullivan) is a resident of British Columbia.
2. Global Response Group (GRG) Corp. (GRG) and IMC – International Marketing of Canada Corp. (IMC) are each British Columbia companies.
3. Sullivan is the director, President and Chief Executive Officer of GRG and the director and officer of IMC.
4. Sullivan promoted GRG as a company possessing oil spill clean-up and fire fighting technology, including “the world’s 1st and only fully amphibious near-shore and shoreline oil spill recovery system”, which he called the MUSKOX system. He used IMC to receive money from persons who invested in GRG.

Misconduct

Illegal distribution

5. Between 2008 and 2011, Sullivan raised approximately \$1.74 million from 97 investors by selling GRG shares from his personal holdings, which he acquired directly from GRG.
6. At all relevant times, Sullivan was the control person of GRG and, as of 2011, held approximately 50% of its issued and outstanding shares.
7. Sullivan did not file a preliminary prospectus or a prospectus in respect of any of his distributions of GRG shares and no exemptions from the prospectus requirements of the Act applied to them.

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8. On June 1, 2011, the Commission issued a Cease Trade Order against Sullivan for his failure to file a prospectus in respect of his distributions of GRG shares.
9. The Respondents distributed securities contrary to section 61 of the Act by:
 - (a) trading in a previously issued GRG security from the holdings of a control person; and
 - (b) participating in a series of transactions involving further purchases and sales in the course of or incidental to a distribution of GRG shares.

Misrepresentations

10. To entice investors to invest in GRG, Sullivan told investors that:
 - (a) GRG shares would soon be publicly listed on a stock exchange;
 - (b) once GRG was publicly listed it would trade at a specified price; and
 - (c) GRG had sold the MUSKOX system to the Chinese National Petroleum Company (CNPC).
11. These statements were false or misleading as:
 - (a) GRG had not taken any steps to become publicly listed;
 - (b) Sullivan told different investors different prices and had no basis for making any share price predictions for GRG as he had done nothing to publicly list the company and the company had no sales; and
 - (c) GRG had not sold the MUSKOX system to CNPC as it had not manufactured a working prototype to the technical specifications and other requirements required by the letter of intent as preconditions to a sale.
12. Sullivan told two investors who invested \$145,000 that he would use their money to develop GRG's business. Instead, he spent at least 40% of their funds on personal items.
13. Sullivan promised two investors who invested \$27,071 that he would provide them with GRG share certificates, but did not provide them.

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14. In making the above misrepresentations, either directly or through their directing mind Sullivan, the Respondents acted contrary to section 50(1)(d) of the Act.

Fraud

15. By engaging in the conduct described above, the Respondents perpetrated a fraud contrary to section 57 of the Act.

Public interest

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

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 **April 17, 2012, at 9:00 a.m.** 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 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.
- ¶ 6 April 2, 2012
- Paul C. Bourque, Q.C.
- ¶ 7 Paul C. Bourque, Q.C.
Executive Director