

2004 BCSECCOM 85

Order

Quest Capital Enterprises, Ltd., Capital Management International and Dwayne A. Daley

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

Background

- ¶ 1 The Executive Director has entered into a Settlement Agreement with Quest Capital Enterprises, Ltd., Capital Management International and Dwayne A. Daley (collectively, the Respondents), which is attached as Schedule A.

The Order

- ¶ 2 The Executive Director, considering it to be in the public interest to do so, orders, by consent, under section 161(1)(b) of the *Securities Act*, RSBC 1996, c. 418 that the Respondents cease trading in any securities or exchange contracts, including but not limited to foreign exchange contracts until such time as they are registered under the Act.

- ¶ 3 February 2, 2004

- ¶ 4 Brenda Leong
A/Executive Director

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Settlement Agreement

**Quest Capital Enterprises, Ltd., Capital Management International and
Dwayne A. Daley,**

Securities Act, R.S.B.C. 1996, c. 418 (the Act)

¶ 5 The following settlement of issues has been reached between Quest Capital Enterprises, Ltd. (Quest), Capital Management International (Capital) and Dwayne A. Daley (Daley), (collectively, the Respondents) and the Executive Director.

Agreed Statement of Facts

¶ 6 As the basis for the undertakings and orders referred to in this settlement, the Respondents acknowledge the following facts as correct:

¶ 7 The Respondents

1. The Respondents are not residents of British Columbia. Quest, Capital and Daley are residents of the Bahamas.
2. Quest was engaged in the business of foreign currency trading on behalf of clients (Investors).
3. Investors would remit their investment funds to Capital in its capacity as a clearing house for investment by Quest.
4. Daley was the president of Quest.
5. None of the Respondents have ever been registered in any capacity under the Act.

Commission Proceedings

6. On January 7, 2003, the Executive Director issued temporary orders against Quest and Daley that:
 - (a) under section 161(1)(b) of the Act, that Quest and Daley cease trading in any securities or exchange contracts; and
 - (b) under section 161(1)(c) of the Act that any or all of the exemptions described in sections 44 to 47, 74, 75, 98 or 99 of the Act, do not apply to Quest and Daley.

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7. On January 20, 2003, the Executive Director amended the temporary order to include Capital, in addition to Quest and Daley.

Summary of Activities

8. During the period from at least March of 2002 forward (the Relevant Period) Quest, by way of the Quest website and through newspaper advertisements, traded in “off-exchange foreign currency option contracts” for Investors resident in British Columbia and elsewhere (the Program).
9. Investors in the Program were required to send their funds by bank draft or wire transfer to Capital.
10. Residents of British Columbia and elsewhere have been solicited by Quest.
11. The various acts, solicitations and conduct carried out by the Respondents were in furtherance of trades by Quest to British Columbia residents. None of these Respondents were registered under the Act and none of the exemptions from the registration requirements were available for these trades. The Respondents therefore traded in securities without being registered under the Act and without an exemption from the registration requirements of the Act, contrary to section 34(1)(a) of the Act.

¶ 8 Undertakings

1. Daley undertakes to pay to the British Columbia Securities Commission the sum of \$5,000, of which \$1,500 represents the costs of the investigation.
2. The Respondents undertake not to say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

Order

- ¶ 9 The Respondents consent to an order by the Executive Director that under section 161(1)(b) of the Act, the Respondents cease trading in any securities or exchange contracts, including but not limited to foreign exchange contracts until such time as they are registered under the Act.

Waiver

- ¶ 10 The Respondents waive any right they may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

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¶ 11 **Counterpart**

This Settlement Agreement may be executed in counterpart or by facsimile execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

¶ 12 January 30, 2004

Quest Capital Enterprises, Ltd.

“Dwayne Daley”
Authorized Signatory

“Lilly Seymour”)
Witness Signature)
Lilly Seymour)
Witness Name (please print))
Mt. Pleasant Village)
Nassau, N.P. Bahamas)
Address)
Retired)
Occupation)

¶ 13 January 30, 2004

¶ 14 Capital Management International

“Pedro Rolle”
Authorized Signatory

“Deborah Gibbs”)
Witness Signature)
Deborah Gibbs)
Witness Name (please print))
P.O. Box CB 13902)
Nassau, Bahamas)
Address)
Managing Director)
Occupation)

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¶ 15 January 30, 2004

“Dwayne Daley”
¶ 16 Dwayne A. Daley

“Lilly Seymour”)
Witness Signature)
Lilly Seymour)
Witness Name (please print))
Mt. Pleasant Village)
Nassau, N.P. Bahamas)
Address)
Retired)
Occupation)

¶ 17 February 2, 2004

¶ 18 Brenda Leong
A/Executive Director