

2005 BCSECCOM 93

Settlement Agreement

**Davis & Davis Personal and Professional Development Seminars Ltd.,
Lauron Enterprises Inc., and 3021310 Nova Scotia Inc.**

and

Laurie J. Davis and Ronald G. Davis

Securities Act, RSBC 1996, c. 418

¶ 1 The following settlement of issues has been reached between Davis & Davis Personal and Professional Development Seminars Ltd., Lauron Enterprises Inc., 3021310 Nova Scotia Inc. (collectively, the Corporate Entities), Laurie J. Davis and Ronald G. Davis (Laurie and Ronald Davis) (all collectively, the Respondents) and the Executive Director.

Agreed Statement of Facts

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

1. On July 27, 1999, staff of the Prince Edward Island (PEI) Securities Commission filed an Information charging all the above-named Respondents for violations of the *Securities Act*, 1989 R.S.P.E.I., C S-3 (PEI Securities Act) in connection with the Respondents' promotion and sale of securities of a personal empowerment program known as the PEP Program.
2. Between November 15 and 20, 2000, Laurie Davis and others were in British Columbia and made presentations promoting their business, and the PEP Program.
3. On December 1, 2000, a Notice of Hearing and Temporary Order was issued by the Executive Director based upon information that Laurie Davis and others were making presentations to the public for the purpose of soliciting investments in the PEP program from residents of British Columbia. On December 15, 2000, the temporary orders were extended by the Commission and are still in place.
4. On August 28, 2002, the PEI Provincial Court found the Respondents guilty of the offence of trading in securities without being registered as a broker or salesman of a registered broker, contrary to sections 2(1) and 28(1) of the PEI Securities Act. The Court made factual findings including:

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- (a) Laurie and Ronald Davis were directors and officers of the Corporate Entities. They developed the PEP Program.
 - (b) Laurie and Ronald Davis spoke to residents of P.E.I. about the PEP Program and solicited investments in the form of promissory notes in the PEP Program and offered a 25% annual rate of return. The promised returns were not paid.
 - (c) Neither Laurie and Ronald Davis nor the Corporate Entities were registered under the PEI Securities Act.
5. On October 9, 2002, the court imposed the following sentences:
- (a) Laurie J. Davis to 90 days imprisonment and a fine of \$1,000;
 - (b) Ronald G. Davis to 30 days imprisonment and a fine of \$1,000; and
 - (c) each of the Corporate Entities to pay a fine of \$3,333.00.
6. On September 30, 2003, the Supreme Court of Prince Edward Island dismissed the appeal of the Provincial Court decision.
7. Subsequently, the Respondents served their sentences in prison and paid their fines.

Mitigating Factors

- ¶ 3 The Executive Director has taken into account the fact that the Respondents have complied with the Temporary Order prohibiting them from operating in the capital markets of British Columbia for over four years.

Undertaking

- ¶ 4 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

- ¶ 5 The Respondents consent to an order by the Executive Director that they comply with the *Securities Act*, RSBC 1996, c. 418 and related rules and regulations.

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Waiver

¶ 6 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.

¶ 7 February 8, 2005

¶ 8 “Laurie Davis”
Davis & Davis Personal and Professional
Development Seminars Ltd.
(Signing Authority)

“Marlene MacKenzie”)
Witness Signature)
Marlene MacKenzie)
Witness Name (please print))
Box 325)
Brookfield, NS B0N 1C0)
Address)
Business Owner)
Occupation)

¶ 9 February 8, 2005

¶ 10 “Laurie Davis”
Lauron Enterprises Inc.
(Signing Authority)

“Marlene MacKenzie”)
Witness Signature)
Marlene MacKenzie)
Witness Name (please print))
Box 325)
Brookfield, NS B0N 1C0)
Address)
Business Owner)
Occupation)

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¶ 11 February 8, 2005

¶ 12 “Laurie Davis”
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Address)
Business Owner)
Occupation)

¶ 13 February 8, 2005

¶ 14 “Laurie Davis”
Laurie J. Davis

“Marlene MacKenzie”)
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