

2006 BCSECCOM 111

Settlement Agreement

Rene Co

Securities Act, RSBC 1996, c. 418

¶ 1 Rene Co has settled the following issues with the Executive Director.

Agreed Statement of Facts

¶ 2 As the basis for the undertakings and orders referred to in this settlement, Co acknowledges the following facts as correct:

1. Co was a registered salesperson at all material times. Co resides in British Columbia.
2. Golden Fortune Investments (GFX) is a public company whose shares traded on the TSX Venture Exchange (TSX-V). It was headquartered in British Columbia and has been a reporting issuer since November 26, 1999. GFX was cease traded on October 28, 2003 for failure to file annual audited financial statements. It was desisted from the TSX-V on April 20, 2004.

Abusive Operation of Nominee Accounts

3. Co was the registered representative for three accounts that traded almost entirely in GFX shares.
4. In respect of one of these accounts (the Co Account), someone other than the named account holder provided trading instructions through a written trading authorization.
5. Between November 1, 2001 and October 31, 2002, the individual providing trading instructions on the Co Account used it to implement matched trades in GFX shares.
6. Co knew, or should have known that the Co Account was a nominee account and was being used to hide or disguise abusive trading, and should have refused to execute GFX trades through this account.
7. Co failed to diligently monitor the Co Account, to exercise considerable care and diligence in accepting orders on this account, and to make the appropriate inquiries to confirm the nature, purpose, and true ownership of this account, all contrary to the public interest.

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Mitigating Factor

- ¶ 3 The Executive Director has taken into account as a mitigating factor that Co does not have any reasonable prospect of being able to pay to the Commission the sanction amount of \$8,000, which would otherwise be required in the public interest in respect of the misconduct described in this settlement.

Undertaking

- ¶ 4 Co undertakes:
1. to pay the British Columbia Securities Commission \$5,000;
 2. 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 Executive Director, considering it to be in the public interest to do so, will order by consent that:
1. under section 161(1)(a) of the Act, Co comply fully with the Act, the *Securities Rules*, and any applicable regulations, policies and guidelines;
 2. under section 161(1)(d) of the Act, Co resign any position he holds as a director or officer of any issuer, and be prohibited from becoming or acting as a director or officer of any issuer, for the later of two years from the date of the Order and the date Co has paid \$5,000 to the Commission;
 3. under section 161(1)(d)(iii) of the Act, Co be prohibited from engaging in investor relations activities on behalf of any issuer for the later of two years from the date of the Order and the date Co has paid \$5,000 to the Commission; and
 4. under section 161(1)(f) of the Act, Co complete the Conduct and Practices Handbook course to the satisfaction of the Executive Director within two years of the date of the Order.

Consent to Reciprocal Orders

- ¶ 6 Co consents to any securities regulator anywhere relying on the facts admitted in this settlement to make orders against him.

Waiver

- ¶ 7 Co waives any right he may have, under the Act or otherwise, to a hearing,

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hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

¶ 8 February 20, 2006

“Rene Co”

¶ 9 Rene Co

“David Mitchell”)
Witness Signature)
David Mitchell)
Witness Name (please print))
1000 – 840 Howe Street)
)
Vancouver, BC V6Z 2M1)
Address)
Barrister & Solicitor)
Occupation

¶ 10 February 21, 2006

L.E. Evans Acting For

¶ 11 Brenda M. Leong
Executive Director