

2006 BCSECCOM 438

Settlement Agreement, dated for reference June 21, 2006

Darryl Wayne Halisky

Securities Act, RSBC 1996, c. 418

- ¶ 1 Darryl Wayne Halisky 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, Halisky acknowledges the following facts as correct:

Background

1. Halisky is a British Columbia resident who was registered under the Act between 1983 and 1985. He has not been registered in any capacity since 1985.
2. Corra Capital Corporation (Corra) is a British Columbia company and has been a reporting issuer in this province since November 28, 2000.
3. Corra filed a prospectus with the Commission on July 20, 2000. Under the prospectus, Corra sought to raise \$420,000 by making an initial public offering of 2,800,000 shares at \$0.15 per share (the IPO).
4. In connection with the IPO, Corra also applied to list its securities for trading on the Canadian Venture Exchange (the CDNX) as a capital pool company.
5. By November 27, 2000, the IPO was fully subscribed. On November 28, 2000, Corra's securities were listed and commenced trading on the CDNX.

Misconduct

Operation of nominee accounts

6. Several of Halisky's friends and family members opened accounts with an investment dealer in Vancouver, British Columbia (the Nominee Accounts).
7. Between July and December 2000, Halisky directed or controlled the Nominee Accounts and the purchase of IPO shares through them.
8. Halisky, through purchases for his own account and by using the Nominee Accounts, directly or indirectly purchased 22.85% of the IPO shares, which

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was significantly in excess of the 2% permitted by subsection 3.2(l) of CDNX Policy 2.4.

Failure to file insider reports

9. After completion of the IPO, there were 4,133,334 outstanding voting shares of Corra.
10. Halisky, through his IPO shares and those held in the Nominee Accounts, had a combination of direct or indirect beneficial ownership of and control or direction over securities of Corra carrying approximately 15% of the voting rights attached to all of Corra's outstanding voting securities, and was therefore an insider as defined in the Act.
11. While Halisky was an insider, his direct or indirect beneficial ownership of or control or direction over Corra shares changed when he traded shares in his account and some of the Nominee Accounts.
12. Halisky has not filed any insider reports relating to Corra, contrary to section 87 of the Act.

Public Interest

- ¶ 3 Halisky's conduct as described in this settlement was contrary to the public interest.

Mitigating Factor

- ¶ 4 The Executive Director has accepted Halisky's evidence that he is unable to pay a monetary sanction of more than \$8,000. The monetary sanction for the misconduct described in this settlement would otherwise have been \$25,000.

Undertakings

- ¶ 5 Halisky shall pay to the British Columbia Securities Commission the sum of \$8,000, which is due and payable immediately, without further demand.

Order

- ¶ 6 Halisky consents to an order by the Executive Director (the Order) that:
1. under section 161(1)(a) of the Act, Halisky comply fully with the Act, the *Securities Rules*, and any applicable regulations;
 2. under section 161(1)(b) of the Act, Halisky cease trading in and be prohibited from purchasing any securities for a period of five years from the date of the Order, except that he may trade and purchase securities through a single account in his own name with a person registered to trade in securities under

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the Act, provided that Halisky provides a copy of the Order to the registrant before any trades or purchases take place, and notifies Commission staff of the registrant's name within one week of opening the account;

3. under section 161(1)(d)(i) and (ii) of the Act, Halisky resign any position he may hold, and be prohibited from becoming or acting, as a director or officer of any issuer for a period of five years from the date of the Order; and
4. under section 161(1)(d)(iii) of the Act, Halisky be prohibited from engaging in investor relations activities for a period of five years from the date of the Order.

Consent to Reciprocal Orders

- ¶ 7 Halisky consents to any securities regulator in Canada relying on the facts admitted in this settlement solely for the purposes of making similar orders as set out in paragraph 6 above.

Waiver

- ¶ 8 Halisky waives any right he 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.

- ¶ 9 July 10, 2006

"Darryl Halisky"

- ¶ 10 Darryl Wayne Halisky

"Patrick Sullivan"

Witness Signature

Patrick Sullivan

Witness Name (please print)

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_____)

300 – 1168 Hamilton Street

Address

Lawyer

Occupation

- ¶ 11 July 24, 2006

"Brenda Leong"

- ¶ 12 Brenda M. Leong
Executive Director