

2007 BCSECCOM 83

Settlement Agreement

David Bentley Riemens

Securities Act, RSBC 1996, c. 418

- ¶ 1 David Bentley Riemens (Riemens) and the Executive Director have entered into the following settlement agreement.

Agreed Statement of Facts

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

Background

1. Riemens is a resident of British Columbia and has never been registered under the Act.
2. Riemens Enterprises Ltd. (Enterprises) was incorporated as a British Columbia company on April 15, 2004. Enterprises has never been registered or filed a prospectus under the Act. Enterprises filed an assignment in bankruptcy in June 2006.
3. Investpro Real Estate Purchasing and Sales Ltd. (Investpro) was incorporated as a British Columbia company on March 24, 2005. Investpro purported to be a division of Enterprises. Investpro has never been registered or filed a prospectus under the Act. Investpro filed an assignment in bankruptcy in May 2006.
4. Riemens was the founder and only director of Enterprises and Investpro.

Misconduct

Persons were not Registered and no Prospectus Exemptions Available

5. From May 2004 to December 2005, Riemens caused Investpro and Enterprises to issue certificates of investment capital (Investpro Securities) to investors for the purchase, improvement, and subsequent resale of property (Properties) located in the interior of British Columbia.
6. Riemens, through Investpro and Enterprises, raised approximately \$1,877,440.01 from trading and distributing the Investpro Securities to the Investors. Most of these Investors are in British Columbia, Ontario and Quebec.

2007 BCSECCOM 83

7. By distributing Investpro Securities to investors without registration or prospectus exemptions under the Act, Riemens contravened sections 34(1)(a) and 61(1).

Misrepresentations

8. Riemens, on behalf of Investpro and Enterprises, made presentations, produced brochures and published information on a website (the Promotional Material) that contained the following representations:
 - (a) the investors' funds would be used for the buying and renovating of the Properties;
 - (b) the Investpro Securities would be secured with a mortgage and therefore involved little or no risk;
 - (c) Investpro and Enterprises paid out a large amount of profits to investors and had assets of greater than \$14 million.
9. These representations were not true:
 - (a) Riemens, on behalf of Investpro and Enterprises bought and re-sold a number of Properties. However, Riemens, in an attempt to finance larger developments, used approximately \$372,000 of the Investors' funds for schemes that he thought would result in larger returns and tax savings but that did not result in any returns. Riemens did not inform the Investors in advance of the alternate use of the funds, which were:
 - (i) \$12,000 on a Native Indian adoption scheme; and
 - (ii) \$360,000 on a Nigerian letter scheme
 - (b) Riemens never registered mortgages on the Properties because there were concerns about tax consequences for investors.; and
 - (c) Riemens overstated Investpro's finances. He did not clarify to Investors that the assets figure was based on estimates that included future development plans.
10. Riemens knew or ought reasonably to have known that the statements in the Promotional Material were misrepresentations contrary to section 50(1)(d) of the Act.

2007 BCSECCOM 83

Public Interest

- ¶ 3 Riemens acted contrary to the public interest by engaging in the conduct set out above.

Mitigating Factors

- ¶ 4 The Executive Director has taken into account that Riemens has provided satisfactory financial evidence including that he has filed an assignment in bankruptcy and KPMG has been appointed as trustee of the estate. The Executive Director is satisfied that Riemens does not have any reasonable prospect of being able to pay the sanction amount of \$50,000 that would otherwise be assessed in the public interest for the misconduct described in this settlement.

Order

- ¶ 5 Riemens consents to an order by the Executive Director (the Order) that:
1. under section 161(1)(a) of the *Securities Act*, RSBC 1996, c. 418 Riemens comply fully with the Act, the Securities Rules, and any applicable regulations;
 2. under section 161(1)(b) of the Act Riemens will cease trading in securities for 10 years from the date of Order, except that Riemens may purchase or trade securities in one registered retirement savings account and one cash account in his name held with a registered dealer provided Riemens delivers a copy of the Order to the registered dealer before any trade takes place.
 3. under section 161(1)(d)(i) and (ii) of the Act, Riemens resign any position he may hold, and is prohibited from becoming or acting, as a director or officer of any issuer for the later of:
 - (a) 10 years from the date of the Order; or
 - (b) until Riemens successfully completes a course of study satisfactory to the Executive Director concerning the duties and responsibilities of directors and officers; and
 4. under section 161(1)(d)(iii) of the Act Riemens will not engage in investor relations activities for 10 years from the date of the Order;

Consent to Reciprocal Orders

- ¶ 6 Riemens consents to any securities regulator in Canada relying on the facts admitted in this settlement to make orders against them.

2007 BCSECCOM 83

Waiver

¶ 7 Riemens 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.

¶ 8 January 19, 2007

¶ 9 “David Riemens”
David Bentley Riemens

“S. Gjukich”)
Witness Signature)
Steven R. Gjukich)
Witness Name (please print))
101-123 Martin Street)
Penticton, BC V2A 7X6)
Address)
Barrister & Solicitr)
Occupation)

¶ 10 February 12, 2007

¶ 11 Brenda M. Leong
Executive Director