

2011 BCSECCOM 86

Settlement Agreement

Microline Veneer & Forest Products Corp. and Peter William Arthur Wise (the Respondents)

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director), Microline Veneer & Forest Products Corp. (Microline), and Peter William Arthur Wise (Wise) agree as follows:

Agreed Statement of Facts

Background

1. Microline was incorporated in British Columbia in 2005. Microline has never been registered or filed a prospectus under the Act.
2. Wise was at all relevant times resident in BC and a director of Microline. Commencing December 14, 2006, he was responsible for the distribution of common shares of Microline.
3. Wise is a certified financial planner, a licensed insurance salesperson, and was registered under the Act as a mutual fund salesperson from 1998 until December 2005.

Illegal Distribution and Unregistered Trading

4. From about January to June 2007, the Respondents distributed Microline common shares to 20 investors for proceeds of approximately one million dollars. The Respondents purported to rely on the Private Issuer Exemption but none of the investors was accredited or a close personal friend or business associate of Wise. In fact, no exemption was available for the distribution.
5. By distributing securities without having filed a prospectus and without an exemption from the registration and prospectus requirements of the Act, the Respondents breached sections 34 and 61 of the *Securities Act*, RSBC 1996 c.418.

Conduct Contrary to the Public Interest

6. The Respondents' conduct set out above was contrary to the public interest.

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Undertaking

Wise undertakes to pay \$15,000 to the Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.

Order

- ¶ 2 The Executive Director, considering it to be in the public interest to do so, will issue an order (the Order) that:
1. under section 161(1)(a) of the Act, the Respondents will comply fully with the Act, the *Securities Rules*, BC Reg. 194/97, and any applicable regulations;
 2. under section 161(1)(b) of the Act,
 - (a) Microline will permanently cease trading securities or exchange contracts;
 - (b) all persons will permanently cease trading in the securities of Microline; and
 - (c) Wise will cease trading in any securities for a period of three years from the date of the Order,
except that
 - (d) Wise may trade securities through accounts in his own name with a person registered to trade in securities under the Act, if he has first provided the registered representative with a copy of this Order before any trade; and
 - (e) Wise and Microline may engage in conduct in furtherance of making trades in securities, provided it is for the sole purpose of obtaining financing for Microline's business and provided that they seek, and the Commission grants, a variation of the Order before they sell or dispose of any securities;
 3. under sections 161(1)(d)(i)-(ii), (iv)-(v) of the Act, Wise will:
 - (a) resign any position he may hold as a director or officer of any issuer; and
 - (b) for a period of three years from the date of the Order, be prohibited from:
 - (i) becoming or acting as a director or officer of any issuer;

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- (ii) acting in a management or consultative capacity in connection with activities in the securities market; and
- (iii) from engaging in investor relations activities,

except that Wise

- (c) may be a director or officer of an issuer of which all the securities are owned beneficially by him or members of his immediate family; and
- (d) for a period of one year from the date of the Order, may remain a director and officer of Microline.

Consent to Reciprocal Orders

- ¶ 3 Any securities regulator in Canada may rely on the facts admitted in this agreement solely for the purpose of making an order similar to the one contemplated above.

Waiver

- ¶ 4 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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Counterpart

¶ 5 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.

¶ 6 February 3, 2011

¶ 7 Peter Wise
Microline Veneer & Forest Products Corp.

H. Roderick Anderson)
Witness Signature)
H. Roderick Anderson)
Witness Name (please print))
3200 Vancouver Centre)
650 West Georgia Street)
Vancouver, BC V6B 4P7)
Address)
Barrister and Solicitor)
Occupation)

¶ 8 February 3 2011

¶ 9 Peter Wise
Peter William Arthur Wise

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Occupation)

¶ 10 February 17, 2011

Paul Bourque

¶ 11 Paul C. Bourque Q.C.
Executive Director