



Citation: 2015 BCSECCOM 320

## Notice of Hearing

### Havenplex Holdings Ltd. and Patrick Aaron Dunn (the Respondents)

#### Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

#### Background

1. Havenplex Holdings Ltd. (Havenplex) is a British Columbia company that was seeking financing to build Cherrywood Estates, a seniors' housing complex in Creston, B.C. Cherrywood Estates was Havenplex's only project.
2. Patrick Aaron Dunn (Dunn) was a dealing representative with League Investment Services Inc. (LISI). LISI was an exempt-market dealer. Dunn was registered with LISI from June 22, 2011 until October 11, 2013.
3. Havenplex's President was one of Dunn's clients at LISI.

#### Misconduct

*Dunn and Havenplex sold securities they were not permitted to sell*

4. In early 2013, Havenplex's President told Dunn he was looking for someone to raise money for Havenplex. Dunn offered to help.
5. While still employed at LISI, Dunn signed a partnership agreement that stated Dunn:
  - (a) would be solely in charge of raising L.C. (line of credit) and equity investment monies for Havenplex, and
  - (b) would see to it that Havenplex's affairs were compliant with British Columbia's securities laws.
6. In October of 2013, Dunn raised \$5,000 for Havenplex by selling a promissory note (Havenplex Promissory Note) to an investor (Investor A).



7. In October of 2013, LISI terminated Dunn's employment.
8. After his termination from LISI and despite not being registered to do so, Dunn sold a Havenplex Promissory Note to a new investor (Investor B) for \$50,000.
9. For his efforts, Havenplex compensated Dunn.
10. In November of 2013, Dunn began working for a registered investment firm and stopped raising money for Havenplex.
11. In February of 2014, Investor B invested a further \$50,000 in Havenplex. Investor B dealt with Havenplex's President in relation to this investment. Dunn was not involved in this transaction.
12. Havenplex relied on the private issuer exemption under the Act to distribute Havenplex Promissory Notes to Investors A and B. In fact, Investors A and B were not accredited and did not otherwise qualify for the private issuer exemption.
13. By distributing Havenplex Promissory Notes to Investors A and B, Havenplex engaged in a \$105,000 illegal distribution contrary to s. 61 of the Act.
14. By distributing Havenplex Promissory Notes to Investors A and B, Dunn engaged in a \$55,000 illegal distribution contrary to s. 61 of the Act.
15. Dunn engaged in unregistered trading contrary to s. 34 of the Act when he sold a Havenplex Promissory Note to Investor A. Dunn, a dealing representative with an exempt market dealer at the time, was only allowed to sell securities to exempt investors, which Investor A was not.
16. Dunn engaged in unregistered trading contrary to s. 34 of the Act when he sold a Havenplex Promissory Note to Investor B because Dunn was not registered to sell securities under the Act at the time.

### **Hearing Process**

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, September 22, 2015, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.



- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: [commsec@bcsc.bc.ca](mailto:commsec@bcsc.bc.ca).
- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.

Paul C. Bourque  
Aug 24 2015 10:51 AM

- ¶ 5 Paul C. Bourque, Q.C.  
Executive Director