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Schedule A Settlement Agreement

Ultimate Ventures Inc., Trivera Investments Inc., and Cameron Kuipers

Securities Act, RSBC 1996, c. 418

- ¶ 1 Ultimate Ventures Inc. (Ultimate), Trivera Investments Inc. (Trivera) and Cameron Kuipers (Kuipers) have 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, Ultimate, Trivera and Kuipers acknowledge the following facts are correct:

Background

1. Ultimate is a British Columbia company, with a head office in Kelowna, British Columbia. Ultimate has never been registered under the *Securities Act, RSBC 1996, c. 418 (Act)*.
2. Trivera is a British Columbia company, with a head office in Vancouver, British Columbia. Trivera has never been registered under the Act.
3. Ultimate and Trivera each proposed to purchase life insurance policies from elderly and terminally ill people for a percentage of their face values and to assume the obligation to pay the premiums on them. Profits were to flow from the expectation that the policy sellers would die before the cost of paying the premiums exceeded the discount at which the policies had been purchased.
4. Kuipers is a resident of Kelowna, British Columbia. Kuipers is the president, director and sole owner of the common shares of each of Ultimate and Trivera. Kuipers has never been registered in any capacity under the Act.
5. Neither Ultimate nor Trivera has ever filed a prospectus under the Act.
6. On December 30, 2003, the Deputy Attorney General of the State of Idaho filed a complaint with the District Court of the Fourth Judicial District of the State of Idaho that alleged that Ultimate and Kuipers had committed violations of the Idaho Securities Act and Idaho Code.

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7. On April 28, 2005, the Idaho Court held that, among other things, Ultimate and Kuipers had:
 - (a) sold securities to Idaho residents without being registered;
 - (b) misrepresented a material fact to prospective Idaho investors by falsely representing that life insurance policies were continuously held in trust; and
 - (c) perpetrated a fraud;all contrary to Idaho law.

Misconduct

Illegal Trading and Distribution of Securities

Ultimate and Kuipers

8. In November 2001, Ultimate and Kuipers, directly and through agents, began soliciting investors to invest in Ultimate securities.
9. In making some of the distributions of Ultimate securities to potential investors, Ultimate and Kuipers used an offering document (Ultimate OM) that was not in the prescribed form.
10. The Ultimate OM was prepared and issued under Kuipers' direction.
11. Between November 27, 2001 and March 11, 2003, Ultimate and Kuipers raised approximately CDN \$2,656,910.28 from 47 investors through the sale of Ultimate securities. Nineteen investors were from British Columbia with eight investors from Ontario, six investors from Alberta and 14 from the United States.
12. Between April 12, 2002 and March 3, 2003, Ultimate and Kuipers raised US \$1,063,927.77 from 20 investors through the sale of 106,392 preferred shares with a par value of \$10 per share. All of these investors were from the United States.
13. Between February 21, 2001 and September 30, 2002, Ultimate and Kuipers issued 4,321 preferred shares with a par value of \$10 to two investors in exchange for their investment in Life Ventures Inc. These investors were from British Columbia.

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14. Between July 18, 2000 and October 30, 2003, Ultimate and Kuipers issued 26,836 preferred shares with a par value of \$10 to 19 investors without cash consideration. Thirteen investors were from British Columbia with one investor from Ontario, one investor from the United States and four investors whose residence is unknown.
15. Between January 10, 2003 and March 24, 2003, Ultimate issued 88,102 preferred shares to 17 investors in exchange for life insurance policies with various insurers. All of these investors were from the United States.
16. The exemptions relied upon by Ultimate in distributing securities under the Ultimate OM were not available in respect of most of the sales to investors in Ultimate securities.
17. By distributing Ultimate securities without registration or prospectus exemptions under the Act, Ultimate and Kuipers breached sections 34(1)(a) and 61(1) of the Act.

Trivera and Kuipers

18. In January 2001, Trivera and Kuipers, directly and through agents, began soliciting investors to invest in Trivera securities.
19. In making some of the distributions of Trivera securities to potential investors, Kuipers and Trivera used an offering document (Trivera OM) that was not in the prescribed form.
20. The Trivera OM was prepared and issued under Kuipers' direction.
21. Between January 1, 2001 and March 17, 2003, Trivera and Kuipers raised approximately \$276,214.80 from 11 investors through the sale of Trivera securities. Most of these investors were from British Columbia.
22. The exemptions relied upon by Trivera in distributing securities under the Trivera OM were not available in respect of most of the sales to investors in Trivera securities.
23. By distributing Trivera securities without registration or prospectus exemptions under the Act, Trivera and Kuipers breached sections 34(1)(a) and 61(1) of the Act.

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Unregistered Advising

24. Kuipers stated in advertisements, seminars, conference calls, brochures and a website that the investment in Ultimate and Trivera securities had minimal or virtually no risk and that a return on the investments was virtually guaranteed. By making these statements, Kuipers was advising that investors purchase Ultimate and Trivera securities.
25. Kuipers indirectly received remuneration as a result of the investors purchase of Ultimate and Trivera securities.
26. Kuipers acted as an advisor without being registered, contrary to section 34(1)(c) of the Act.

Misrepresentations

Ultimate and Kuipers

27. The Ultimate OM and Kuipers:
- (a) stated that Ultimate had appointed a trustee to hold the purchased insurance policies and their proceeds in trust on behalf of Ultimate for the benefit of its preferred shareholders. Although Ultimate did purchase life insurance policies, Ultimate and Kuipers failed to disclose that the trust set up for the safe keeping of life insurance policies and their proceeds was never used; and
 - (b) stated that Ultimate would use the proceeds from the sale of its preferred shares to purchase American third party life insurance policies. Although Ultimate did purchase life insurance policies, Ultimate and Kuipers failed to later disclose that Ultimate subsequently used \$2,311,254.32 of the proceeds to provide loans to Kuipers and companies and individuals affiliated with Kuipers.
28. The Ultimate OM falsely stated that Ultimate's merger and acquisition of Assurance Financial Inc. of Boise, Idaho had completed when, in fact, it had not.

Trivera

29. The Trivera OM:
- (a) stated Trivera would use the proceeds from the purchase of its preferred shares to purchase American third party life insurance policies. Trivera later failed to disclose that it:
 - (i) had not purchased any insurance policies; and

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- (ii) subsequently used most of the proceeds to provide a loan and management fees in the total amount of \$232,743.79 to companies and individuals affiliated with Kuipers;
 - (b) falsely stated that a bank entrust account would hold the insurance policies and their proceeds for the benefit of Trivera's preferred shareholders when, in fact, a bank entrust account was never set up;
 - (c) stated that no director, officer or principal holder of shares of Trivera had within the last five years, been declared bankrupt or made a voluntary assignment in bankruptcy or subject to or instituted any proceedings, arrangement, or compromise with creditors. Trivera failed to disclose that Kuipers had declared bankruptcy in 1984 and had filed an Affidavit in 1999 asserting he was indigent following a Court's order of a monetary judgment against him in civil proceedings; and
 - (d) stated that as a shareholder of Trivera, an investor would:
 - (i) receive audited financial statements annually and unaudited interim financial statements on a half yearly basis. Trivera subsequently failed to disclose that it did not complete or send audited financial statements to investors;
 - (ii) be given notice of and be entitled to attend general meetings of the common shareholders of Trivera. Trivera subsequently failed to disclose it did not have an annual general meeting.
30. Ultimate, Trivera and Kuipers made statements of material facts and omitted to state material facts that were necessary to prevent them from being misleading in the circumstances in which they were made, contrary to section 50(1)(d) of the Act.

Cease Trade Orders

Ultimate and Kuipers

31. On December 19, 2002, the Executive Director ordered under section 164(1) of the Act that trading in Ultimate securities cease (Ultimate CTO) until Ultimate filed an offering memorandum and distribution report in the required form.
32. Ultimate and Kuipers breached the Ultimate CTO by issuing 205,377 preferred shares between December 30, 2002 and May 27, 2003.

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Trivera and Kuipers

33. On December 18, 2002, the Executive Director ordered under section 164(1) of the Act that trading in Trivera securities cease (Trivera CTO) until Trivera filed an offering memorandum in the required form.
34. Trivera and Kuipers breached the Trivera CTO by issuing 125,250 preferred shares between December 18, 2002 and January 21, 2003.
35. On January 22, 2003, the Executive Director issued a revocation of the Trivera CTO.

Undertakings

- ¶ 3 Immediately upon signing this agreement, Kuipers will pay \$100,000 to the British Columbia Securities Commission.

Order

- ¶ 4 Ultimate, Trivera and Kuipers each consent to an order by the Executive Director (the Order) that:
1. under section 161(1)(a) of the Act, Ultimate, Trivera and Kuipers comply with the Act, Rules and any applicable regulations;
 2. under section 161(1)(b) of the Act, Ultimate, Trivera and Kuipers will cease trading in securities for 16 years from the date of the Order, except that Kuipers may purchase or trade securities in one registered retirement savings account and one cash account in his name held with a registered dealer provided Kuipers delivers a copy of the Order to the registered dealer;
 3. under section 161(1)(d)(i) and (ii) of the Act, Kuipers 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) 16 years from the date of the Order;
 - (b) until Kuipers successfully completes a course of study satisfactory to the Executive Director concerning the duties and responsibilities of directors and officers;

except that Kuipers may be a director and officer of 0775127 B.C. Ltd., a private issuer, provided that he is the sole shareholder of that issuer and it does not engage in any investor relations activities for 16 years from the date of this Order; and

