

2010 BCSECCOM 179

Settlement Agreement

Fine Water Inc. and Alan Geoffrey With

Securities Act, RSBC 1996, c. 418 (the Act)

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director), Fine Water Inc. (Fine Water) and Alan Geoffrey With (With) agree as follows:

Agreed Statement of Facts

Background

1. Fine Water is a British Columbia incorporated, non-reporting issuer, based in Nelson, British Columbia. Its intended business was bottling and selling mineral water from an artesian well.
2. With is a 52-year old resident of Nelson, British Columbia. He is the president, a director and an officer of Fine Water.
3. Between May 2007 and January 2009 (the Relevant Period), With was not registered to trade securities under the Act.
4. Fine Water has never filed a prospectus for the distribution of its securities under the Act.

Misconduct

5. During the Relevant Period, With distributed Fine Water securities to six British Columbia residents (the Investors), raising CDN \$897,000 and USD \$24,932.63. He relied on three types of exemptions from registration and prospectus filing: accredited investor, family, friends and business associates, and minimum amount investment (the Exemptions).
6. Fine Water and With could not have relied on the Exemptions for its securities distributions to four of the Investors, who invested CDN \$351,000 and USD \$24,932.63 in Fine Water securities. These investors were not accredited or a family, friend or business associate of a director or officer of Fine Water. Instead, they were friends of other Fine Water shareholders. They invested less than the minimum amount required for the exemption.

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7. With did not gain anything personally from distributing the securities of Fine Water. He spent all of the investor funds on trying to put the water business into operation.
8. By raising money from investors to whom no exemptions applied, With:
 - (a) traded in securities without being registered, contrary to section 34(1) of the Act; and
 - (b) distributed securities without filing a prospectus, contrary to section 61 of the Act.

Public interest

9. With acted contrary to the public interest by engaging in the conduct set out above.

Inability to Pay

10. With has been unemployed since the Fine Water business did not succeed. Fine Water and With are involved in outstanding litigation. He has provided the Executive Director with sufficient proof that his liabilities exceed his assets.
11. There is no reasonable prospect of With paying a fine of \$5,000 that would otherwise be assessed in the public interest for the misconduct described in this Settlement Agreement.

Order

- ¶ 2 The Executive Director will issue an order that (the Order):
1. under section 161(1)(a) of the Act, With will comply fully with the Act, the Securities Rules and applicable regulations;
 2. under section 161(1)(b) of the Securities Act, RSBC 1996, c. 418, With will cease trading in and be prohibited from purchasing any securities for three years from the date of this Order, except that he may trade and purchase securities through one account in his own name through a registered representative if he provides a copy of this Order to the registered representative before any trade;

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3. under section 161(1)(d)(i) and (ii) of the Act, With will be prohibited from becoming or acting as a director or officer of any issuer until the later of:
 - (a) three years from the date of the Order; and
 - (b) the date With has successfully completed a course of study satisfactory to the Executive Director concerning the duties and responsibilities of directors and officers,

except that With may act as a director and officer of Fine Water Inc. while Fine Water is involved in civil litigation;

4. under section 161(1)(d)(v) of the Act, With be prohibited from engaging in investor relations activities

until the later of:

- (a) three years from the date of the Order; and
- (b) the date With has successfully completed a course of study satisfactory to the Executive Director concerning the duties and responsibilities of directors and officers.

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 a similar Order.

Waiver

- ¶ 4 With 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.

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.

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¶ 6 March 29, 2010

“Alan Geoffrey With”

¶ 7 Alan Geoffrey With

“Duane Lehr”

Witness Signature)

Duane Lehr)

Witness Name (please print))

2211 Falls St.)

Nelson, BC V1L 1K6)

Address)

Financial Planner / Entrepreneur)

Occupation)

¶ 8 April 6, 2010

“Martin D. Eady”

¶ 9 Martin D. Eady
Acting Executive Director