



British Columbia Securities Commission

Citation: 2014 BCSECCOM 191

Notice of Hearing

Thomas Arthur Williams, Global Wealth Creation Opportunities Inc., Global Wealth Creation Opportunities Inc. (Belize), Global Wealth Financial Inc., Global Wealth Creation Strategies Inc., CDN Global Wealth Creation Club RW-TW, 2002 Concepts Inc., Susan Grace Nemeth, Renee Michelle Penko, Paul Finney, Irene G. Beilstein, Christina Kiemel, Helena Yvonne Becker, Dennis Carl Weigel, Daniel Quoming Sam, Eric Clark, Sharon Downing and Robert Laudy Williams

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. Thomas Arthur Williams (Williams), a resident of British Columbia, was the directing mind, director and officer of the following companies:

- (a) Global Wealth Creation Opportunities Inc.;
- (b) Global Wealth Creation Opportunities Inc. (Belize);
- (c) Global Wealth Financial Inc.;
- (d) Global Wealth Creation Strategies Inc.;
- (e) CDN Global Wealth Creation Club RW-TW; and
- (f) 2002 Concepts Inc.

(collectively, the Global Group of Companies)

2. Several finders introduced investors to the Global Group of Companies:

- (a) Susan Grace Nemeth;
- (b) Renee Michelle Penko;
- (c) Paul Finney;
- (d) Irene G. Beilstein;
- (e) Christina Kiemel;
- (f) Helena Yvonne Becker;
- (g) Dennis Carl Weigel;
- (h) Daniel Quoming Sam;
- (i) Eric Clark;



- (j) Sharon Downing; and
- (k) Robert Laudy Williams.

(collectively, the Finders)

- 3. Williams was a registrant under the Act at various times and in various capacities between 1989 and 2003. He has been licensed as an insurance agent since 1991.
- 4. Between February 2007 and April 2010 (the Material Time), none of the Respondents were registered under the Act in any capacity.
- 5. The Global Group of Companies has never filed a prospectus in respect of the distribution of its securities.

Misconduct

Fraud

- 6. Williams purported to operate the Global Group of Companies as a business that provided managed risk opportunities, where he took loans from investors, invested them in financial contracts and paid interest to investors.
- 7. To help him raise money from investors, Williams signed associate agreements with the Finders, and paid them commissions.
- 8. The Respondents raised approximately \$11.7 million from approximately 123 investors.
- 9. In promoting the Loan Agreements, Williams promised investors that:
 - (a) the Loan Agreements, as a result of being loans, would be shielded from the securities laws;
 - (b) He would provide returns of at least 2% interest per month with a potentially higher interest rate on a “best efforts” basis;
 - (c) He would preserve the integrity of the investors’ funds.
- 10. Despite having promised that he would preserve the integrity of their investments, Williams invested about \$5.8 million of investor funds with individuals and companies introduced by or connected to persons who had criminal or regulatory histories of securities fraud. Williams did not inform investors about the fraudulent background of the people he was dealing with.
- 11. Williams did not receive any returns or principal from any of the investments he made.



12. Williams did not inform his investors that none of his investments produced any returns. Instead, Williams kept up the appearance of a profitable business by:
 - (a) continuing to raise more money from investors;
 - (b) making “interest” and principal payments to some investors from other investors’ money;
 - (c) providing monthly statements to investors showing fictitious returns up to 4% per month earned on their investments.
13. Although some investors started to get suspicious about Williams in mid-2008, he continued to promise investors until at least 2011 that they would get their money back shortly.
14. By engaging in the conduct described above, Williams and the Global Group of Companies perpetrated a fraud against investors, contrary to s. 57(b) of the Act.

Illegal Distribution

15. With the help of the Finders, Williams and the Global Group of Companies raised approximately \$5.3 million from 103 investors who had no exemptions from the requirements of the Act.
16. By trading and distributing securities of the Global Group of Companies without being registered and without any exemptions, the Respondents contravened sections 34 and 61 of the Act.

Liability under section 168.2

17. Williams as the director and officer of each of the Global Group of Companies authorized, permitted or acquiesced in the Global Group of Companies’ contraventions of the Act, and therefore contravened the same provisions under section 168.2 of the Act.

Public Interest

18. The Respondents’ conduct described in this Notice of Hearing is contrary to the public interest.
19. It is in the public interest that the Commission issue orders under sections 161 and 162 of the Act.

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 July 22, 2014, 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 Respondents 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.
- ¶ 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
Jul 2 2014 10:28 AM

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