

2002 BCSECCOM 368

Settlement Agreement

Holisticom.com Inc. and Michael John Dowling

Securities Act, RSBC 1996, c. 418

[para 1]

The following settlement of issues has been reached between Holisticom.com Inc. (the Company) and Michael John Dowling (Dowling), and the Executive Director.

Agreed Statement of Facts

[para 2]

As the basis for the undertakings and orders referred to in this settlement, the Company and Dowling acknowledge the following facts as correct:

1. The Company was incorporated in the state of Washington on November 2, 1999, has its head office in Vancouver, British Columbia, and is not a reporting issuer under the *Securities Act, RSBC 1996, c. 418* (the Act).
2. During the period from at least November, 1999, through to November, 2000, the Company distributed 1,983,734 common shares of the Company to 96 persons, 93 of which were British Columbia residents (the BC Purchasers).
3. The amount that the Company raised through the distribution of the Company's common shares to the BC Purchasers totalled US \$366,282.67.
4. The Company did not file a prospectus under the Act, nor was it able to rely upon any statutory exemptions from the registration and prospectus requirements of the Act, to distribute its securities in British Columbia, contrary to sections 34(1) and 61(1) of the Act (the Illegal Distributions).
5. Dowling has never been registered in any capacity under the Act.
6. At all material times, Dowling was the president, secretary, treasurer, controlling shareholder and a director of the Company. He participated in the Illegal Distributions, by trading in the securities of the Company without being able to rely upon any statutory exemption from the registration requirements of the Act, contrary to section 34(1) of the Act.

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7. The Company is insolvent and unable to provide the BC Purchasers with a right to rescind their subscription for the Company's common shares and receive a full refund of the amount paid to the Company.
8. The Executive Director is satisfied that Dowling is insolvent and unable to make a payment to the Commission; otherwise, the Executive Director would have sought a payment of \$2,000.00 from Dowling.

Mitigating Factors

[para 3]

The Executive Director has taken into account the following facts as factors mitigating the sanctions, which would otherwise have applied in the public interest:

1. Dowling and the Company have cooperated fully with the staff of the British Columbia Securities Commission (the Commission) in its investigation of this matter.
2. The Company has ceased distributing its securities, or soliciting money from the public.

Undertaking

[para 4]

The Company undertakes and agrees to do the following:

1. to comply fully with the Act, the *Securities Rules*, B.C. Reg. 194/97 (the Rules), and any applicable regulations, from the date of this settlement; and
2. to not say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

[para 5]

Dowling undertakes and agrees to do the following:

1. to comply fully with the Act, the Rules, and any applicable regulations, from the date of this settlement; and

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2. to not say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

Order

[para 6]

Dowling consents to an order by the Executive Director (the Order) that:

1. under section 161(1)(d) of the Act, Dowling resign any position he holds as a director and officer of any issuer, and is prohibited from becoming or acting as a director or officer of any issuer, until the later of:
 - (a) the date he successfully completes a course of study satisfactory to the Executive Director concerning the duties and responsibilities of directors and officers; and
 - (b) five years after the date of the Order;except that Dowling may be a director or officer of one personal holding company in which he and his spouse are the sole shareholders; and
2. under section 161(1)(d) of the Act, Dowling be prohibited from engaging in investor relations activities on behalf of any issuer, until two years after the date of the Order.

Waiver

[para 7]

The Company and Dowling 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.

[para 8]

April 26th, 2002

“M. Dowling”
Holisticom.com Inc. (Signing Authority)

“Paul Bansal”)
Witness Signature)
Paul Bansal)

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Witness Name (please print))
701 West Georgia St.)
Vancouver, BC)
Address)
Investigator)
Occupation)
April 26th, 2002

“M. Dowling”
Michael John Dowling

“Paul Bansal”)
Witness Signature)
Paul Bansal)
Witness Name (please print))
701 West Georgia St.)
Vancouver, BC)
Address)
Investigator)
Occupation)

May 6th, 2002

“Steve Wilson”

Steve Wilson
Executive Director