

2003 BCSECCOM 375

Schedule "A" Settlement Agreement

Timothy Britton Brock

Securities Act, RSBC 1996, c. 418

- ¶ 1 The following settlement of issues has been reached between Timothy Britton Brock (Brock) and the Executive Director.

Agreed Statement of Facts

- ¶ 2 As the basis for the undertakings and orders referred to in this settlement, Brock acknowledges the following facts as correct:
1. Tree Brewing Company Ltd. (Tree Brewing) was incorporated in British Columbia on March 15, 1995, pursuant to the *Company Act*, RSBC 1996, c. 62 (Company Act), and became a reporting issuer under the *Securities Act*, RSBC 1996, c. 418, on March 6, 1998. The shares of Tree Brewing were listed on the Vancouver Stock Exchange and subsequently the TSX Venture Exchange (TSX); however, on June 5, 2002, Tree Brewing had its shares delisted from the TSX.
 2. Brock was a director of Tree Brewing from March 6, 1998 through to April 16, 1999.
 3. Great Western Minerals Group Ltd., which was formerly known as Great Western Gold Corp. (Great Western), was incorporated in British Columbia on September 30, 1983, pursuant to the Company Act, and became a reporting issuer under the Act on July 3, 1984. The shares of Great Western were listed on the Vancouver Stock Exchange, and are currently listed on the TSX.
 4. Brock was a director of Great Western from November 27, 1991 through to June 28, 2000.
 5. War Eagle Mining Company Inc. (War Eagle) was incorporated in British Columbia on March 6, 1984, pursuant to the Company Act, and became a reporting issuer under the Securities Act on December 1, 1987. The shares of War Eagle were listed on the Vancouver Stock Exchange and are currently listed on the TSX.

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6. Brock was a director of War Eagle from March 31, 1987 through to February 5, 2001.
7. During the period from November 1, 1997 through to November 30, 2000 (the Relevant Period), Brock participated in 37 separate trades in the shares of War Eagle, Great Western, and Tree Brewing (collectively, the Companies), in which accounts under Brock's control were, at the same time, both the buyer and the seller (the Wash Trades).
8. The Wash Trades represented approximately the following percentages of trading volume:
 - (a) 4.6% of the trading volume of Great Western between November 1, 1997 and November 31, 2000;
 - (b) 1.5% of the trading volume of War Eagle between November 1, 1997 and November 31, 2000; and
 - (c) 14% of the trading volume of Tree Brewing between March 6, 1998 and April 16, 1999.
9. The Wash Trades resulted in a misleading appearance of trading activity contrary to section 57(a) of the Act and were contrary to the public interest.
10. During the Relevant Period, Brock failed to file insider reports for 414 trades in shares of the Companies. By failing to file insider reports disclosing his direct or indirect beneficial ownership of, or control or direction over, the securities of the Companies, Brock acted contrary to section 87(4) of the Act.

Mitigating Factors

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

11. Brock represents that he did not directly or indirectly profit from the trading activity described in paragraph seven; and
12. the Wash Trades did not appear to have affected the share price of any of the Companies.

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Undertaking

- ¶ 4 Brock undertakes to do the following:
1. to pay to the British Columbia Securities Commission the sum of \$20,000, of which \$3,500 represents the costs of the investigation, in four equal installments as follows:
 - (a) \$5000 payable the date of signing this settlement;
 - (b) \$5000 payable 30 days from the date of signing this settlement;
 - (c) \$5000 payable 60 days from the date of signing this settlement;
 - (d) \$5000 payable 90 days from the date of signing this settlement; and
 2. not to say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

Order

- ¶ 5 Brock consents to an order by the Executive Director (the Order) that:
1. under section 161(1)(d) of the Act, Brock is prohibited from becoming or acting as a director or officer of any reporting issuer for a period ending five years from the date of the Order; and
 2. under section 161(1)(c) of the Act, the exemptions described in sections 44 to 47, 74, 75, 98 or 99 of the Act do not apply to Brock for a period ending six years from the date of the Order;
 - (a) except that Brock may rely on the exemption in section 45(2)(7) of the Act for trading in his own account (the Account) and his current Registered Retirement Savings Program Account (the RRSP Account), through one registered dealer (the Dealer), subject to the following conditions:
 - (i) Brock will deliver a sworn declaration to the Executive Director listing all of the securities beneficially owned by him within 2 weeks of the Order prior to any trades taking place in the Account and the RRSP Account; and
 - (ii) Brock will deliver to the Dealer a copy of the Order prior to any trades taking place in the Account and the RRSP Account.

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Waiver

¶ 6 Brock 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.

¶ 7 May 20, 2003

¶ 8 “Tim Brock”
Timothy Britton Brock

“Monita F. Faris”)
Witness Signature)
Monita F. Faris)
Witness Name (please print))
47 – 23151 Haney Place)
Maple Ridge)
Address)
Assistant, Secretary)
Occupation)

¶ 9 May 30, 2003

¶ 10 Martin Eady
A/Executive Director