

2005 BCSECCOM 229

Settlement Agreement

James Harvey Cameron and Venture Trading Inc.

Securities Act, RSBC 1996, c. 418

- ¶ 1 James Harvey Cameron (Cameron) and Venture Trading Inc. (VTI) 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, Cameron and VTI acknowledge the following facts as correct:

The Respondents

1. VTI is:
 - (a) a company incorporated under the laws of the province of Alberta;
 - (b) not a reporting issuer in Canada; and
 - (c) does not have any of its securities listed and posted for trading or quoted on any exchange or quotation system.
2. Cameron is an Alberta resident. At all material times he was the controlling mind of VTI, by virtue of being its controlling shareholder, president, secretary, and sole director.

The Offering

3. Between May 2002 and August 2003 (the Relevant Period), VTI issued and sold its securities to at least 90 residents of British Columbia, Alberta and elsewhere.
4. VTI raised a total of \$4.18 million through this offering, \$1.48 million of which was raised by distributing its securities to 18 residents of British Columbia (the BC Offering).
5. In relation the BC Offering, VTI:
 - (a) did not file a prospectus under the *Securities Act, RSBC 1996, c. 418*;
and

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(b) in respect of 8 persons to whom securities were distributed (the BC Investors), was not able to rely upon any statutory exemptions from the registration and prospectus requirements of the Act (the Illegal Distribution).

6. VTI raised \$143,500 through the Illegal Distribution.
7. The Illegal Distribution contravened sections 34 and 61 of the Act.

Misrepresentation

8. During the Relevant Period, VTI maintained a password protected website.
9. VTI shareholders were given passwords that allowed them to access the website. The website falsely represented that VTI's preferred shares were earning a 2% per month return, when in actual fact VTI had lost almost 25% of its capital through bad investments (the VTI Misrepresentation).
10. The VTI Misrepresentation contravened section 50(1)(d) of the Act.

Cameron

11. Cameron was directly responsible for the Illegal Distribution and the VTI Misrepresentation. He also authorized VTI's participation in them.

Mitigating Factors

¶ 3 The Executive Director has taken into account as mitigating factors that:

1. Cameron does not have any reasonable prospects of being able to pay to the Commission the sanction amount of \$25,000, which would otherwise be required in the public interest in respect of the misconduct described in this settlement.
2. VTI's finances are so poor that, in respect of the Illegal Distribution, it cannot afford to offer rescission to the BC Investors.

Undertaking

¶ 4 Cameron undertakes:

1. to pay \$10,000 to the Commission; and
2. not to say anything, in writing or orally, which may contradict the terms of this settlement or call those terms in question.

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¶ 5 VTI undertakes:

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

Order

¶ 6 Cameron and VTI consent to an order by the Executive Director (the Order) that:

1. under section 161(1)(a) of the Act, Cameron and VTI comply fully with the Act, the Securities Rules, and any applicable regulations, policies and guidelines;
2. under section 161(1)(b) of the Act, Cameron and VTI each be prohibited from trading in any securities for a period of 4 years;
3. under section 161(1)(d) of the Act, Cameron resign any position he may hold as a director or officer of any issuer and be prohibited from becoming or acting as a director or officer of any issuer for 4 years from the date of the Order; and
4. under section 161(1)(d)(iii) of the Act, Cameron be prohibited from engaging in investor relations activities for 4 years.

Waiver

¶ 7 Cameron and VTI each waive any rights 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.

¶ 8 April , 2005

¶ 9 “J.H. Cameron”
James Harvey Cameron

“Launa Woiken”)
Witness Signature)
Launa Woiken)
Witness Name (please print))
26 Erinwoods Circle SE)
Calgary, AB)
Address)
Admin Clerk)
Occupation)

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¶ 10 April 5, 2005

¶ 11 “J.H. Cameron”
Venture Trading Inc.
(Authorized Signatory)

“Launa Woiken”)
Witness Signature)
Launa Woiken)
Witness Name (please print))
26 Erinwoods Circle SE)
Calgary, AB)
Address)
Admin Clerk)
Occupation)

¶ 12 April 5, 2005

“Brenda Leong”

¶ 13 Brenda M. Leong
Executive Director