

2006 BCSECCOM 101

Settlement Agreement

Michael Alan Wilson

Securities Act, RSBC 1996, c. 418

¶ 1 Michael Alan Wilson has 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, Wilson acknowledges the following facts as correct:

1. Wilson was a registered salesperson at all material times. His registration lapsed on December 19, 2003 and was not renewed. Wilson resides in British Columbia.
2. Golden Fortune Investments (GFX) is a public company whose shares traded on the TSX Venture Exchange (TSX-V). It was headquartered in British Columbia and has been a reporting issuer since November 26, 1999. GFX was cease traded on October 28, 2003 for failure to file annual audited financial statements. It was delisted from the TSX-V on April 20, 2004.

Misleading Trading Activity

3. Wilson personally engaged in two pre-arranged trades of GFX on the TSX-V that resulted in a misleading appearance of trading activity, contrary to section 57(a) of the Act:
 - (a) On December 24, 2001, Wilson arranged for his father, to buy 200,000 GFX shares at \$0.05 per share from Wilson (60,000 shares), his sister (100,000 shares), and his friend (40,000 shares).
 - (b) On January 18, 2002, Wilson purchased 239,000 GFX shares from his father at a price of \$0.06 per share.

Abusive Operation of Nominee Accounts

4. Wilson was the registered representative for six accounts that traded almost entirely in GFX shares.
5. In respect of five of these accounts (the Wilson Accounts), someone other than the named account holder, either through a power of attorney or a written trading authorization, gave Wilson trading instructions for the accounts.

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6. Between November 1, 2001 and October 31, 2002, the individuals providing trading instructions on the Wilson Accounts used them to implement matched trades in GFX shares.
7. Wilson knew, or should have known that the Wilson Accounts were nominee accounts and were being used to hide or disguise abusive trading, and should have refused to execute GFX trades through these accounts.
8. Wilson failed to diligently monitor the Wilson Accounts, to exercise considerable care and diligence in accepting orders on these accounts, and to make the appropriate inquiries to confirm the nature, purpose, and true ownership of these accounts, all contrary to the public interest.

Mitigating Factor

- ¶ 3 The Executive Director has taken into account as a mitigating factor that Wilson is in poor health, is disabled, is unable to work, and does not have any reasonable prospect of being able to pay to the Commission the sanction amount of \$20,000, which would otherwise be required in the public interest in respect of the misconduct described in this settlement.

Undertakings

- ¶ 4 Wilson undertakes:
- (a) to pay the Commission \$5,000; and
 - (b) not to say anything, in writing or orally, which may contradict the terms of this settlement or call those terms into question.

Order

- ¶ 5 The Executive director, considering it to be in the public interest to do so, will order by consent that:
1. under section 161(1)(a) of the Act, Wilson comply fully with the Act, the *Securities Rules*, and any applicable regulations, policies and guidelines;
 2. under section 161(1)(b) of the Act, Wilson cease trading in and be prohibited from purchasing any securities for the later of five years from the date of the Order and the date Wilson has paid \$5,000 to the Commission, except that Wilson may trade and purchase securities in one account held in his name with a registered dealer to whom Wilson has first provided a copy of the Order;
 3. under section 161(1)(d) of the Act, Wilson resign any position he holds as a director or officer of any issuer, and be prohibited from becoming or acting as

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a director or officer of any issuer, for the later of five years from the date of the Order and the date Wilson has paid \$5,000 to the Commission;

4. under section 161(1)(d)(iii) of the Act, Wilson be prohibited from engaging in investor relations activities on behalf of any issuer for the later of five years from the date of the Order and the date Wilson has paid \$5,000 to the Commission; and
5. under section 161(1)(f) of the Act, Wilson complete the Conduct and Practices Handbook course to the satisfaction of the Executive Director within two years of any application for registration.

Consent to Reciprocal Orders

- ¶ 6 Wilson consents to any securities regulator anywhere relying on the facts admitted in this settlement to make orders against him.

Waiver

Wilson 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 February 9, 2006

“Michael Alan Wilson”

- ¶ 8 Michael Alan Wilson

“Peter Jensen”)
Witness Signature)
Peter K Jensen)
Witness Name (please print))
PO Box 12077)
Suite 2550 – 555 West Hastings Street)
Vancouver, BC V6B 4N5)
Address)
Barrister & Solicitor)
Occupation)

- ¶ 9 February 13, 2006

“Martin Eady”

- ¶ 10 Martin Eady
Acting Executive Director