

2007 BCSECCOM 384

Schedule "A"

Settlement Agreement

Enrique Rempel (a.k.a. Henry Rempel)

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Enrique Rempel, also known as Henry Rempel (Rempel), agree as follows:

Agreed Statement of Facts

1. Rempel is a resident of British Columbia and has never been registered under the *Securities Act*, RSBC 1996, c. 418.
2. Rempel is the sole proprietor of Aspire Systems Canada (Aspire) and Essential Growth Dynamics (EGD).
3. Westfalia Finance (Westfalia) is an unincorporated Spanish entity.

Misconduct

Illegal Trading and Distribution of Securities

4. From October 2001 to March 2005, Rempel sold approximately \$3.57 million in securities to about 37 persons. Of those sales, Rempel sold approximately \$1.2 million in securities to 28 British Columbia residents.
5. Rempel sold securities in various investments, including:
 - (a) participation in a high yield offshore bank debenture trading program (ETP) through Westfalia;
 - (b) a profit sharing agreement or investment contract in the production of various rock concerts; and
 - (c) loans to Aspire and EGD,(collectively, the Securities).
6. From October 2001 to May 2003, Rempel raised about \$2,661,800 for the ETP from about 18 investors. About 13 of these investors were British Columbia residents who invested about \$451,800.

2007 BCSECCOM 384

7. From April 2002 to December 2004, Rempel raised about \$398,800 for the rock concerts from about 14 investors. About 10 of these investors were British Columbia residents who invested about \$268,800.
8. From December 2003 to March 2005, Rempel raised about \$511,000 for Aspire and EGD, from about five investors, all of whom were British Columbia residents.
9. None of the investors has received a return or been repaid, except:
 - (a) one British Columbia couple who invested in the rock concerts was paid \$70,000; and
 - (b) one British Columbia couple who invested in Aspire and EGD was paid \$46,665.
10. No prospectus was filed in respect of the sale of any of the Securities.
11. As a result of his conduct, Rempel:
 - (a) traded in the Securities without being registered, contrary to section 34(1)(a) of the Act; and
 - (b) distributed the Securities without a prospectus, contrary to section 61(1) of the Act.

Misrepresentations

12. Rempel made representations to the investors that the ETP was a low risk investment that would provide a high return. Rempel failed to tell investors he had limited knowledge, experience or evidence to support or evaluate those representations or that he had conducted limited independent due diligence of the ETP or Westfalia.
13. These omissions and statements were misrepresentations, contrary to section 50(1)(d) of the Act.

2007 BCSECCOM 384

Mitigating Factors

14. Between April 2002 and January 2006, Rempel attempted to cause police authorities in Canada and England to investigate the principals of Westfalia with respect to the offence of fraud.
15. Rempel has provided satisfactory financial evidence that his liabilities exceed his assets and there is no reasonable prospect of Rempel being able to pay the sanction amount of \$100,000 that would otherwise be assessed in the public interest for the misconduct described in this settlement.
16. Rempel was petitioned into bankruptcy on November 15, 2005.

Public Interest

17. Rempel acted contrary to the public interest by engaging in the conduct set out above.

Order

¶ 2 The Executive Director will issue an order (the Order) that:

1. under section 161(1)(a), Rempel will comply fully with the Act, the *Securities Rules*, BC Reg. 194/97, and any applicable regulations;
2. under section 161(1)(b) of the Act, Rempel will cease trading in and will not purchase any securities for 12 years from the date of the Order, except that Rempel may trade and purchase securities in one registered retirement savings account and one cash account in his name held with a registered dealer, provided Rempel gives a copy of the Order to the registered dealer before any trade or purchase takes place;
3. under section 161(1)(d)(i) of the Act, Rempel will resign any position he may hold, and is prohibited from becoming or acting, as a director or officer of any issuer for the later of:
 - (a) 12 years from the date of the Order; and
 - (b) the date Rempel successfully completes a course of study satisfactory to the Executive Director concerning the duties and responsibilities of directors and officers,

except that Rempel may be a director and officer of a single private issuer, provided that he or his wife or children are the sole shareholders of that issuer

2007 BCSECCOM 384

and it does not engage in any investor relations activities for 12 years from the date of the Order; and

4. under section 161(1)(d)(ii) of the Act, Rempel will be prohibited from engaging in investor relations activities for a period of 12 years from the date of the Order.

Consent to Reciprocal Orders

- ¶ 3 Any securities regulator in Canada may rely on the facts admitted in this agreement solely for the purpose of making an order similar to the one contemplated above.

Waiver

- ¶ 4 Rempel 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.

Counterpart

- ¶ 5 This Settlement Agreement may be executed in counterpart or by facsimile execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

- ¶ 6 June 20, 2007

- ¶ 7 “E. Rempel”
Enrique Rempel

“John Guggenheimer”)
Witness Signature)
John A. Guggenheimer)
Witness Name (please print))
Box 10205 RPO Clayburn)
Abbotsford, BC V2S 8K5)
Address)
Retired)
Occupation)

- ¶ 8 June 29, 2007

- ¶ 9 Brenda M. Leong
Executive Director