

2011 BCSECCOM 70

Settlement Agreement

Gregory Clark Carrington

Securities Act, RSBC 1996, c. 418

¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Gregory Clark Carrington (Carrington) agree as follows:

Agreed Statement of Facts

Background

1. Carrington resides in Abbotsford, British Columbia. He was at all material times the President, Chief Executive Officer, and Chairman of the Board of Directors of the following issuers:
 - (a) WebNet Converged Wireless Networks Ltd.,
 - (b) WebNet Broadcasting Corporation,
 - (c) WebNet Global Capital Partners Ltd., and
 - (d) 3dh Capital Ltd.(collectively, the WebNet Issuers)
2. From about July 2007 to June 2008, the WebNet Issuers distributed securities under offering memoranda dated July 13, 2007, July 16, 2007, September 7, 2007, November 15, 2007 and January 15, 2008 (the OMs).
3. The WebNet Issuers were incorporated in British Columbia, and shared the same head office address in Abbotsford, British Columbia.
4. Under the OMs, the WebNet Issuers raised about \$8.74 million from 916 investors. The investors resided in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the United States.
5. The OMs had numerous deficiencies (the Deficiencies) including, among others, the following:
 - (a) Several OMs misstated the name of the issuer.

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- (b) One of the OMs had no financial statements. Other OMs had inaccurate financial statements and did not state that they were unaudited.
 - (c) The OMs did not adequately disclose short-term and long-term objectives and the use of the offering proceeds or provided inaccurate information with respect to them.
 - (d) The OMs did not adequately disclose material agreements or provided inaccurate information with respect to them.
 - (e) The OMs were unclear as to whether the shares were being issued by the issuer, or were being distributed from the holdings of principal shareholders.
 - (f) The OMs did not accurately set out the shareholdings of directors, officers or principal shareholders, did not accurately set out the number of outstanding shares, or did not disclose prior sales of shares.
6. On January 25, 2008, the Executive Director ordered that all trading cease in the securities of WebNet Global Capital Partners Ltd. On June 25, 2008, the Executive Director ordered that all trading cease in the securities of each of the other WebNet Issuers. The cease trade orders remain in effect.

Misconduct

7. The OMs were not in the form required by National Instrument 45-106 and, consequently, the WebNet Issuers contravened sections 34(1)(a) and 61(1) of the Act.
8. As a result of the Deficiencies, the OMs were misleading. By providing misleading information in records required to be filed, the WebNet Issuers contravened section 168.1(1)(b) of the Act.
9. Carrington, as an officer and director of the WebNet Issuers, authorized, permitted or acquiesced in their contraventions of sections 34(1)(a), 61(1) and 168.1(1)(b) of the Act. Carrington therefore also contravened the same provisions under section 168.2(1) of the Act.

Inability to Pay

10. Carrington's liabilities significantly exceed his assets. He is 64 years old, and is retired. Carrington is subject to numerous outstanding judgments and debts. He is also subject to orders issued under the Social Service Tax Act, the Employment Standards Act and the Canada Labour Code requiring that he pay the WebNet Issuers' liability for unpaid taxes and wages.

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11. Carrington has no reasonable prospect of being able to pay the fine of \$100,000 that would otherwise be appropriate in the public interest for the misconduct described in this Settlement Agreement.

Order

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

1. under section 161(1)(b) of the Act, Carrington cease trading in securities,
2. under section 161(1)(d)(i) and (ii) of the Act, Carrington resign any position he holds as a director or officer of an issuer and be prohibited from becoming or acting as a director or officer of any issuer,
3. under section 161(1)(d)(iv) of the Act, Carrington be prohibited from acting in a management or consultative capacity in connection with activities in the securities market, and
4. under section 161(1)(d)(v) of the Act, Carrington be prohibited from engaging in investor relations activities

for a period of 20 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 Settlement Agreement solely for the purpose of making an order similar to the one contemplated above.

Waiver

¶ 4 Carrington waives any right that 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.

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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 February 4, 2011

Gregory Carrington

¶ 7 Gregory Clark Carrington

Paul Rankin)

Witness Signature)

Paul Rankin)

Witness Name (please print))

1200 – 701 W. Georgia St.)

)

Vancouver, BC)

Address)

Sr. Investigator)

Occupation)

¶ 8 February 7, 2011

Paul Bourque

¶ 9 Paul C. Bourque, Q.C.
Executive Director