

Citation: 2016 BCSECCOM 351

Settlement Agreement

Richard Dean Reoji Nawata

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Richard Dean Reoji Nawata (Nawata) agree as follows:

Agreed Statement of Facts

Background

1. Richard Dean Reoji Nawata (Nawata) is a 55-year-old British Columbia resident. Nawata was appointed President, Chief Executive Officer and a director of record of Military International Limited (MIL) on February 2, 2010. He was formerly registered under the Act as an investment advisor from 1989 to 2001.
2. MIL is an Alberta company that is a reporting issuer in British Columbia.
3. MIL's shares at one time traded on the TSX Venture Exchange. On December 11, 2002, the Executive Director ordered that all trading in MIL's securities cease until MIL filed required records (the CTO). The CTO remains in force.
4. Although Nawata was MIL's President, Chief Executive Officer and director of record, he deferred to Stewart Douglas Loughery (Loughery) on all matters pertaining to MIL.
5. Loughery, a British Columbia resident, never had any formal title with MIL and was never a director of record of MIL. Even though Loughery was not a director or officer of record, he made MIL's key decisions and performed the functions of a director and officer.

Breach of the CTO

6. Between November 2010 and December 2011, MIL raised \$170,000 from six investors targeted by Loughery (the MIL Investments) and entered into loan agreements and issued promissory notes to those investors.
7. On Loughery's instructions, Nawata signed the loan agreements and promissory notes on behalf of MIL.
8. By entering into the MIL Investments, MIL contravened the CTO.

9. By executing the loan agreements and promissory notes on behalf of MIL, Nawata authorized, permitted and acquiesced in MIL's contravention of the CTO, and therefore contravened the same order through section 168.2 of the Act.
10. Nawata never received any financial benefit or remuneration from MIL and never communicated with any investors in relation to the MIL Investments.

Public Interest

11. Nawata's conduct described in this Settlement Agreement is contrary to the public interest.
12. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

Undertakings

13. Nawata undertakes to pay \$6,000.00 to the British Columbia Securities Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.

Order

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

1. under section 161(1)(d)(i), Nawata resign any position that he holds as a director or officer of any issuer or registrant;
2. under section 161(1)(d)(ii), Nawata is prohibited from acting as a director or officer of any issuer or registrant;
3. under section 161(1)(d)(iii), Nawata is prohibited from acting as a registrant or promoter;
4. under section 161(1)(d)(iv), Nawata is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
5. under section 161(1)(d)(v), Nawata is prohibited from engaging in investor relations activities,

for the later of 1 year from the date of the Order or such time as Nawata has successfully completed a course of study on the duties of corporate officers and directors that is acceptable to the Executive Director.

Consent to Regulatory Orders

¶ 3 Nawata consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraphs 2 above.

Waiver

¶ 4 Nawata 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 October 13, 2016

Richard Dean Reoji Nawata

¶ 7 _____
Richard Dean Reoji Nawata

M Richards)
Witness Signature)
Maegan Richards)
Witness Name (please print))
1200 – 701 W. Georgia Street)
Vancouver, B.C.)
Address)
Lawyer)
Occupation)

¶ 8 October 13, 2016

Peter Brady

¶ 9 _____
Peter J. Brady
Executive Director