



British Columbia Securities Commission

Citation: 2014 BCSECCOM 471

## **Notice of Hearing**

**Rodney John Snider**

### **Section 161 of the *Securities Act*, RSBC 1996, c. 418**

¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against Rodney John Snider (Snider) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

#### **Background**

1. Snider is a British Columbia resident and is employed as a taxi driver. He has never been registered under the Act.
2. Flag Resources (1985) Limited (Flag), is an Alberta incorporated mining company and a reporting issuer in British Columbia. On May 9, 2006, the British Columbia Securities Commission issued a Cease Trade Order against Flag for failing to file financial records.
3. The TSX Venture Exchange had previously de-listed shares of Flag on August 25, 2005, for failing to maintain exchange-listing requirements.
4. Snider has never been a director of Flag but he held himself out as conducting investor relations on behalf of Flag.

#### **Unregistered Trading and Illegal Distribution**

5. Between January 2009 and May 2012, Snider sold promissory notes in Flag to eleven British Columbia residents for proceeds of \$140,500. These distributions did not qualify for exemptions from the prospectus requirement under the Act.
6. Snider told investors to forward funds to a director of Flag (now deceased).
7. The director sent each investor a letter stating that their “loan” entitled them to shares and share purchase warrants, which they could redeem when Flag resumed trading.



8. The director withdrew investor funds via bank drafts issued in his name.

#### **Misconduct**

9. Snider distributed securities of Flag without being registered and without having filed a prospectus, contrary to sections 34(a) and 61(1)(a) of the Act.

#### **Conduct Contrary to the Public Interest**

10. Snider's conduct denied investors the procedural safeguards provided by regulation and oversight, which meant that investors:
  - (a) were deprived of the protection of full disclosure they needed to make an informed investment decision; and
  - (b) purchased securities from Snider who was unaware that Flag was subject to a cease trade order, which information a person with the requisite knowledge, competence and training would have known.
11. Snider's conduct described in this Notice of Hearing harmed the credibility, reputation, and integrity of the Province's securities market and regulatory environment.
12. It is in the public interest that the Commission issue orders under sections 161 and 162 of the Act.

#### **Hearing Process**

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, December 23, 2014, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: [commsec@bcsc.bc.ca](mailto:commsec@bcsc.bc.ca).



- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.

Paul C. Bourque  
Nov 19 2014 12:43 PM

- ¶ 5 Paul C. Bourque, Q.C.  
Executive Director