

2011 BCSECCOM 545

Temporary Order and Notice of Hearing

**High Profit Investment Ltd., Martin Butcher, Fortune Investment Group and Robert Meeker
(collectively, the Respondents)**

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

¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders under sections 161, 162 and 174 of the *Securities Act*, R.S.B.C. 1996, c. 418 against:

1. persons promoting a fraudulent investment scheme under the names High Profit Investment Ltd. and Fortune Investment Group; and
2. individuals promoting the same scheme who represented themselves as Martin Butcher and Robert Meeker.

High Profit Investment

3. In May 2011, an advertisement appeared in the Financial Service's section of Vancouver's "Craig's List" webpage that promoted an investment in High Profit Investment Ltd. (HPI). The advertisement purported to guarantee investors a risk-free rate of return of ten times the initial amount of their investment within 14 days through foreign exchange trading. This claim is an economic impossibility. Very high rates of return can never be achieved without risk of loss, let alone be guaranteed to be risk-free.
4. On May 31, 2011, a Commission investigator posing as an investor from British Columbia sent an email to the contact address on the webpage asking for information about the investment.
5. On May 31, 2011, an individual representing himself as an employee of HPI and claiming that his name was Martin Butcher replied to the email (Butcher). He reiterated the false statement about HPI's investment returns. He also told the investigator that she:
 - (a) should consult the HPI website for more information about the investment and for details about HPI;
 - (b) needed to complete an online application on the website to join the investment program;

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- (c) had been approved as an investor; and
 - (d) should send a \$1,000 USD money order to an address in New York he claimed was HPI's business address.
6. The HPI website reiterated the false statement about HPI's investment returns. It also made the following false statements, claiming that HPI:
- (a) has business premises at the New York address to which Butcher referred;
 - (b) has business premises in Texas;
 - (c) is one of the most well established, recognized and respected securities and commodities trading firms in the foreign exchange business;
 - (d) is a registered company and licensed broker; and
 - (e) had registered "HPI" and "High Profit Investment Ltd." as trademarks.
7. In reality:
- (a) the address for the purported New York business premises is a vacant storefront formerly occupied by a pizza parlour;
 - (b) the address for the purported Texas business premises does not exist;
 - (c) HPI is not a known securities and commodities trading firm;
 - (d) HPI is not a registered company or licensed broker in either New York State or Texas; and
 - (e) "High Profit Investment Ltd." is not a registered trademark, while "HPI" is a registered trademark of an unrelated company.
8. Butcher followed up his initial response to the investigator with daily emails on four consecutive days pressuring her to invest. Butcher's final email sent on June 4, 2011 threatened to "blacklist" the investigator unless she immediately sent a \$1,000 USD money order to the New York address.
9. In July 2011 the Commission placed HPI on its Investment Caution List.

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10. By the end of October 2011, HPI's website was no longer accessible through the internet.

Fortune Investment Group

11. In September 2011, a website appeared on the internet in the name of Fortune Investment Group (FIG), which except for small differences was identical to HPI's website. The FIG website:

- (a) purported to offer a risk-free investment in foreign exchange trading that was word-for-word identical to the fraudulent HPI investment scheme; and
- (b) contained the exact same text as the HPI website, including the same spelling and grammatical errors.

12. On October 5 & 6, 2011, the Commission investigator posed as another investor from British Columbia and accessed the FIG website. The investigator was contacted by an individual representing himself as an employee of FIG and claiming that his name was Robert Meeker (Meeker). Meeker directed the investigator to complete the investment application on the FIG website.

13. Meeker reiterated the false statements about FIG's investment returns that were on its website. He also:

- (a) sent the investigator an approval letter that was the same as the one Butcher had sent, containing the same spelling and grammatical errors, except that references to HPI had been changed to refer to FIG; and
- (b) directed the investigator to send a \$500 USD money order to the same address in New York that Butcher had referred to when promoting the HPI investment.

Fraud

14. By engaging in the above conduct, the Respondents perpetrated a fraud contrary to section 57 of the *Act*.

Public Interest

¶ 2 It is in the public interest that the Commission issue orders under sections 161 and 162 of the Securities Act.

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¶ 3 The Executive Director, considering the length of time to hold a hearing under section 161(1) of the Securities Act to be prejudicial to the public interest, orders under section 161(1)(b) and 161(1)(d) of the Securities Act that:

1. the Respondents cease trading in all securities;
 - (a) the Respondents be prohibited from engaging in investor relations activities; and
 - (b) that all persons cease trading in the securities of HPI and FIG

until the conclusion of the hearing (the Temporary Order).

¶ 4 The hearing will be held at the 12th floor hearing room, 701 West Georgia Street, Vancouver, British Columbia, on **December 22, 2011 at 9:00 a.m.**

¶ 5 At the hearing, the Executive Director will ask the Commission to issue final orders against the Respondents on the same terms as the Temporary Order.

Hearing Process

¶ 6 The Respondents may choose to be represented by counsel, make submissions and tender evidence at the hearing. The Respondents are requested to advise the Commission of their intention to attend the hearing by informing the Secretary to the Commission at P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.

¶ 7 Relevant information gathered by Commission staff in the investigation of this matter will be disclosed to a Respondent upon written request to the Executive Director.

¶ 8 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 this matter if the Respondents or their respective counsel do not appear at the hearing.

¶ 9 December 9, 2011.

Paul C. Bourque

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