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Notice of Hearing

Ultimate Ventures Inc., Trivera Investments Inc. and Cameron Kuipers

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

- ¶ 1 The Commission will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (Act).
- ¶ 2 The Executive Director alleges that the following conduct and activity was contrary to the public interest.

Background

1. Ultimate Ventures Inc. (Ultimate) and Trivera Investments Inc. (Trivera) are both British Columbia companies. Neither of them has ever been registered or has filed a prospectus under the Act.
2. The businesses of Ultimate and Trivera were the same. They each proposed to purchase life insurance policies from elderly and terminally ill people for a percentage of their face values and to assume the obligation to pay the premiums on them. Profits were to flow from the expectation that the policy sellers would die before the cost of paying the premiums exceeded the discount at which the policies had been purchased.
3. Ultimate and Trivera each sold preferred shares to investors, the proceeds from which were supposed to be used to purchase life insurance policies.
4. Cameron Kuipers (Kuipers) is a resident of Kelowna, British Columbia. Kuipers is the president, a director and the guiding mind of each of Ultimate and Trivera. Kuipers has never been registered under the Act.

Misconduct

Illegal Trading and Distributions

5. Between July 18, 2000 and October 30, 2003, Ultimate and Kuipers distributed preferred shares with a par value of \$10 per share to investors in British Columbia, Alberta, Ontario, and the United States. These securities were sold for cash, issued in exchange for life insurance policies, or issued in exchange for previously issued securities of other issuers controlled by Kuipers.

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6. Ultimate and Kuipers raised approximately \$4,237,162.20 through the cash sales of preferred shares.
7. Between January 1, 2001 and March 17, 2003, Trivera and Kuipers distributed preferred shares to investors in British Columbia. These securities were sold for cash.
8. Trivera and Kuipers raised approximately \$276,214 through the sales of preferred shares.
9. Ultimate, Trivera, and Kuipers traded in securities without being registered and without a prospectus, contrary to sections 34 and 61 of the Act.

Misrepresentations

10. In making some of its distributions, Ultimate used an offering document that purported to be an offering memorandum (Ultimate OM). Trivera used a similar offering document in connection with all of its distributions (Trivera OM). Both documents were prepared and issued under Kuipers' direction. Neither document was in the proper form prescribed for offering memoranda by part 4.1 of Multi-Lateral Instrument 45-103.
11. The Ultimate OM, and Kuipers on behalf of Ultimate, made the following representations to prospective investors:
 - (a) life insurance policies and their proceeds would be held in trust;
 - (b) a trustee had actually been appointed for the purpose of holding policies and proceeds in trust;
 - (c) no director would be permitted to vote on any corporate resolution that involved the director in a conflict of interest;
 - (d) audited financial statements for 2002 would be sent to investors;
 - (e) the merger and acquisition of Ultimate and an Idaho company had completed; and
 - (f) any investment in Ultimate would be backed by a "Bank Guaranteed Bond".

None of these statements were true.

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12. The Trivera OM stated that:

- (a) Trivera would purchase life insurance policies from United States residents;
- (b) the policies and their proceeds would be held in trust;
- (c) Trivera would purchase real estate properties with the proceeds of the policies;
- (d) shareholders of Trivera would receive audited financial statements annually and unaudited interim financial statements on a half yearly basis;
- (e) shareholders of Trivera would be given notice of and be entitled to attend general meetings of Trivera;
- (f) a certain individual would manage Trivera and that she had extensive management experience; and
- (g) none of the directors, officers or principal holders of the shares of Trivera had been a bankrupt or subject to any court imposed penalties or sanctions within the preceding five or ten years, respectively.

None of these statements were true.

13. Ultimate, Trivera, and Kuipers made statements with the intention of effecting trades in securities which they knew or ought to have known were misrepresentations, contrary to section 50(1)(d) of the Act.

Ultimate: Illegal Sales of Securities in Idaho

14. Most of Ultimate's U.S. investors reside in Idaho.

15. On December 30, 2003, the Deputy Attorney General of the State of Idaho filed a complaint with the District Court of the Fourth Judicial District of the State of Idaho that alleged that Ultimate and Kuipers had committed violations of the Idaho Securities Act and Idaho Code.

16. On April 28, 2005 the Idaho Court held that, among other things, Ultimate and Kuipers had:

- (a) sold securities to Idaho residents without being registered;

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- (b) misrepresented a material fact to prospective Idaho investors by falsely representing that life insurance policies were continuously held in trust; and
 - (c) perpetrated a fraud,
- all contrary to Idaho law.

Breach of Cease Trade Orders

- 17. In December 2002, the Executive Director issued orders under section 164 of the Act that trading in securities of Ultimate and Trivera cease until each of them had filed an offering memorandum and distribution report in the required form.
- 18. Each of Ultimate and Trivera continued to distribute preferred shares after the cease trade orders were issued.

Kuipers

- 19. In the course of recommending to persons that they invest in Ultimate and Trivera, Kuipers held himself out as being engaged in the business of advising others with respect to the purchase and sale of securities.
- 20. Kuipers acted as an advisor without being registered, contrary to section 34 of the Act.
- 21. As a director and officer of each of Ultimate and Trivera, Kuipers authorized, permitted or acquiesced in their respective contraventions of the Act and applicable cease trade order, contrary to section 168.2 of the Act.

Hearing Process

- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make representations and lead evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Commission Secretary at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 4 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Monday, May 8, 2006 at 10:30 am if they wish to be heard before the Commission sets a date for the hearing.

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¶ 5 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.

¶ 6 March 17, 2006

Brenda M. Leong

¶ 7 Brenda M. Leong
Executive Director