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## **Ponzi schemers ordered to surrender \$16 million in ill-gotten gains**

**Vancouver** – A British Columbia Securities Commission Panel has permanently banned four B.C. residents, and ordered them to pay \$26 million in penalties and to disgorge \$16 million for operating a Ponzi scheme.

On Aug. 4, 2009, a BCSC panel found that Hal (Mick) Allan McLeod, David John Vaughan, Kenneth Robert McMordie (also known as Byrun Fox), and Dianne Sharon Rosiek violated securities laws when they fraudulently distributed securities and made misrepresentations through Manna Trading Corp Ltd., Manna Humanitarian Foundation, Legacy Capital Inc., and Legacy Trust Inc.

The panel found that McLeod created the Manna scheme, and he expanded it with Vaughan's help, and later more aggressively expanded it with the assistance of McMordie (who used the name Byrun Fox) and Rosiek. The panel found that McLeod, Vaughan, McMordie, and Rosiek fraudulently used investors' funds to enrich themselves before the scheme collapsed in 2007.

Noting the Manna's 800 investors lost up to US \$13 million, the panel said, "Nothing strikes more viciously at the integrity of our capital markets than fraud, and this case represents a particularly aggressive and flagrant assault on the public's confidence in our markets."

In its sanctions decision, the panel fined McLeod \$8 million, and ordered Vaughan, Rosiek, and McMordie to pay penalties of \$6 million each. The panel also ordered each respondent, including the companies, to disgorge the \$16 million the scheme obtained from investors.

In addition, the panel permanently banned McLeod, Vaughan, McMordie, and Rosiek from trading securities or exchange contracts and from being a manager or consultant in connection to the securities market. They are also prohibited from being a director or officer of any issuer, registrant or investment fund manager, being a registrant, investment fund manager or promoter, and from engaging in investor relations activities.



The panel also permanently cease traded the securities of Manna Trading Corp Ltd., Manna Humanitarian Foundation, Legacy Capital Inc., and Legacy Trust Inc., and permanently banned the companies from trading securities or exchange contracts.

The B.C. Securities Commission is the independent provincial government agency responsible for regulating trading in securities within the province. You may view the decision on our website [www.bsc.bc.ca](http://www.bsc.bc.ca) by typing in the search box Hal (Mick) Allan McLeod, David John Vaughan, Kenneth Robert McMordie, Dianne Sharon Rosiek, or 2009 BCSECCOM 595. If you have questions, contact Ken Gracey, media relations, 604-899-6577.

*Learn how to avoid investment fraud at the BCSC's investor education website:  
[www.investright.org](http://www.investright.org).*