

October 17, 2000

IN THE MATTER OF: THE SECURITIES ACT

- and -

IN THE MATTER OF: Charles Douglas Spiring

**REASONS FOR DECISION
OF
THE MANITOBA SECURITIES COMMISSION**

CHAIRMAN: Mr. D. G. Murray
BOARD MEMBER: Mr. R.G. McEwen

APPEARANCES:

Mr. C. P. Besko) Counsel for the Commission
Jonathan Kroft) Counsel for
David Filmon) Wellington West Capital Inc. and Charles
Brent Ross) Spiring

These matters came on for Hearing on Tuesday, October 17, 2000 at 9:30 a.m. Staff counsel and counsel for the respondents Spiring and Wellington West provided the panel with the attached Settlement Agreements and a joint recommendation that they be approved.

When a disciplinary matter proceeds before the Commission it can be dealt with at a Hearing, where the prime consideration is fitness for registration or by way of a Settlement Agreement wherein any number of remedies are available, including monetary administrative penalties.

The facts considered by the panel are contained in the two Settlement Agreements.

Commission counsel at the settlement hearing advised that staff are satisfied that the evidence discloses no attempt by Wellington West or Spiring in dealing with the three investment groups involved, to direct to any individual any more than their maximum personal allotment of MTS shares. A positive finding in this regard would have amounted to fraudulent conduct. Commission counsel is satisfied that this is not the case. Furthermore Commission counsel is satisfied the evidence suggests that the various members of the investment groups were throughout, the beneficial owners of the shares purchased in their names and that no excessive or additional commissions were earned by Wellington West or Spiring in dealing with the investment groups in the manner in which they did.

Staff advises that investment groups or clubs were contemplated by the MTS prospectus. Commission counsel is satisfied that the three investment groups formed in this case operated as

investment clubs but that the respondents acted improperly in the failure to complete documentation as required by the rules of their professional association and the prospectus requirements and in accepting trading instructions from individuals not properly authorized to give them. Spiring and Wellington West acknowledge these allegations.

The transgressions acknowledged in the Settlement Agreement are serious in themselves, however, as indicated there have been no allegations nor evidence of any fraudulent conduct on the part of the respondents. Commission counsel and counsel for the respondents are jointly of the view that this matter is best resolved by way of a Settlement Agreement involving a monetary penalty. Under the circumstances the panel finds that it is not contrary to the public interest to accept the Settlement Agreements.

"D. G. Murray"
D. G. Murray
Chairman

"R. G. McEwen"
R. G. McEwen
Member