

ENFORCEMENT SUMMARY

IN THE MATTER OF: *THE SECURITIES ACT* (the "Act")

AND IN THE MATTER OF: **DONALD GEORGE HODGSON AND
GERALD GORDON HODGSON**

CHARGES

On January 22, 2007, Judge Combs of the Provincial Court of Manitoba accepted the guilty pleas of Donald George Hodgson and Gerald Gordon Hodgson (the "Hodgsons") to fourteen (14) counts of trading without registration contrary to section 6(1) of the Act and to fourteen (14) counts of trading without prospectus contrary to section 37(1) of the Act.

SUMMARY

The Hodgsons were promoting investments in a company called Crop Tech Ltd. The charges to which the Hodgsons pled guilty involved fourteen (14) investors who purchased shares of Crop Tech Ltd. Crop Tech Ltd. was represented to be a company which had a number of franchises involved in crop consulting, grain brokering and providing other agricultural services. The Hodgsons along with their wives were the sole directors and officers of Crop Tech Ltd. The Hodgsons represented to investors that they would receive returns from Crop Tech Ltd. from the sale of franchises and receipt of franchise fees.

In total the 14 investors invested the sum of \$90,000.00. \$85,000 of the investors' funds went to one of the franchises which was operated by the Hodgsons with the remaining \$5,000 going to one of the Hodgsons' wives. The franchise operated by the Hodgsons went bankrupt. Investors sustained losses in the amount of \$83,773.35.

SENTENCE

The Hodgsons were sentenced on May 17, 2007 before Judge Combs. They were each fined the sum of \$14,000 and placed on probation for a period of three years which included a restitution order that they be jointly and severally liable to pay restitution in the amount of \$83,773.35. The Hodgsons were ordered to pay the restitution at specified periods during their period of probation. A further condition of their probation was they were not to trade in securities other than for their own account through an agent registered to trade in securities under the Act. Costs and surcharges were waived and the court ordered the Hodgsons pay the foregoing fines by the end of their probation period.

The Manitoba Securities Commission

October 22, 2007