

ENFORCEMENT SUMMARY

In the Matter of The Securities Act and in the Matter of Ernest David Janzen

On June 1, 2001, the Commission issued Order No. 3353 being an order for a temporary denial of exemptions as against Janzen and a temporary cease trade of securities of Tri-West. On June 1, 2001, a Notice of Hearing and Statement of Allegations issued, returnable on June 11, 2001. The cease trade order against Tri-West was extended indefinitely, as confirmed by Order No. 3378 dated June 13, 2001. The matter as against Janzen proceeded to hearing on November 27, 2001, with a further appearance before the panel on April 3, 2002.

Facts:

The proceeding against Janzen arose out of his conduct in trading in securities of Tri-West, which included trading to an Investigator of the Commission who was at the time known to Janzen as a potential investor ("potential investor"). Janzen provided information on Tri-West, on the investment, and on Tri-West's referral program, verbally and through the dissemination of written material. The Tri-West investment as advertised consisted of investing offshore in multiples of USD \$1,000.00 per unit, with minimal risk, at a rate of return of 10% per month paid on the first banking day of the month, for a period of one year at which time the principal was to be returned. Funds were to be invested in a leverage investment program. All transactions between an investor and Tri-West were to be kept strictly confidential. The referral program involved 15% of what the referred person initially brought in, plus 15% per month on their return, with a free bonus unit worth \$1,000 upon referrals reaching \$50,000 USD. In addition to his conduct vis-à-vis the Investigator, Janzen had referred others resulting in \$82,000.00 USD having been invested in Tri-West. Janzen received some commissions and a bonus unit. Janzen himself had been an investor in Tri-West. Neither Janzen nor Tri-West had been registered under the Act to trade in securities in Manitoba. No preliminary prospectus or prospectus had been filed with the Commission nor had any exemption been applied for or granted. Janzen had been cautioned by another Investigator of the Commission, known to Janzen as such, and had been requested to cease promoting Tri-West, yet persisted in trading to the potential investor.

Commission Order No. 3708:

The panel accepted a joint submission having been made by staff and by counsel of the respondent on April 3, 2002, whereby Order No. 3708 resulted. Janzen received a penalty of a denial of exemptions for a period of 5 years from the date of the order in addition to an order of costs against him in the amount of \$2,000.00 to be paid on or before June 15, 2002. Order No. 3708 further provided for the issue of costs to return to the panel in the event of Janzen's failure to comply with the costs award.

The Manitoba Securities Commission
April 3, 2002.