

ENFORCEMENT SUMMARY

In the Matter of *The Securities Act* of Manitoba (“Act”) and in the Matter of John FRIESEN (“FRIESEN”) and FUTRONICS INC. (“FUTRONICS”)

Charges:

FRIESEN pled guilty to 3 omnibus counts of trading without registration contrary to section 6(1) of the Act, trading without prospectus contrary to section 37(1) of the Act, and authorizing, permitting, or acquiescing in offences of FUTRONICS as a director or officer contrary to section 136(3) of the Act. FUTRONICS pled guilty to 18 counts of trading without registration and 18 counts of trading without prospectus. All of the foregoing were offences under the Act.

Summary:

FUTRONICS was incorporated in Manitoba on December 23, 1994. At all material times of the offences, FRIESEN was a director and the president of FUTRONICS. At all material times, neither FRIESEN nor FUTRONICS were registered to trade in securities under the Act. No prospectus had been filed. FRIESEN and FUTRONICS had prior knowledge of securities legislation and exemption experience with the Securities Commission. In the current matters before the court, FRIESEN and FUTRONICS attempted to circumvent securities laws in a complex scheme. FUTRONICS attracted people with LIRA's who were in need of accessing their funds for cash. Investors were generally found as a result of newspaper advertisements in a local or a national newspaper. The mechanics of the investment scheme were such that an investor's original locked-in holdings were swapped for FUTRONICS shares with the cash from the original investments generally being forwarded to FUTRONICS at least temporarily before the bulk of the monies were then forwarded to SPEECH MALL.COM INC. (“SPEECHMALL”). SPEECHMALL was an Ontario company in which another officer of FUTRONICS, John ISHMAEL, was a director and officer. SPEECHMALL then loaned back to the investor 60 – 70% of the amount invested in FUTRONICS. Investors were named nominally as officers of FUTRONICS as part of a ruse to keep the transactions from being detected by the Securities Commission. Eight people invested in FUTRONICS. A further six potential investors had been solicited by FRIESEN. Eleven transactions were completed. FRIESEN was the front PR man for FUTRONICS.

Sentence:

On October 27, 2010, the Honourable Judge Stewart sentenced FRIESEN to a period of incarceration of three (3) months, to be served intermittently, and a Supervised Probation Order for 2 years with conditions including community service of 150 hours and prohibition against being in the securities industry. In conjunction with sentencing or prior to, FRIESEN paid \$20,500 to investors. As a result of his involvement with FUTRONICS, FRIESEN had incurred personal losses. Costs against FRIESEN were waived. A fine of \$5,000 plus costs and surcharges of \$2,500 was imposed on FUTRONICS.

The Manitoba Securities Commission
November 4, 2010.