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**IN THE MATTER OF: THE SECURITIES ACT**

**-and-**

**IN THE MATTER OF: CHARLES MORRISON**

**STATEMENT OF ALLEGATIONS OF STAFF OF THE  
MANITOBA SECURITIES COMMISSION**

**STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, INTER ALIA,  
THAT:**

**A. REGISTRATION**

1. ADVANCED RESCUE TECHNOLOGIES INC. ("ADVANCED") was a corporation incorporated on February 6, 1998 under the laws of the Province of British Columbia.
2. At all material times, ADVANCED was not registered to trade in securities under *The Securities Act* of Manitoba ("Act").
3. At all material times, ADVANCED had not filed a preliminary prospectus or a prospectus with The Manitoba Securities Commission ("Commission"), nor had it applied for or been granted an exemption order under section 20 of the Act.
4. At all material times, ADVANCED had not filed any reports under section 7 of the Regulation to the Act or any notice under section 91 of the Regulation to the Act with respect to any trades under section 19 of the Act or sections 90 or 91 of the Regulation.
5. At all material times, Charles Morrison ("MORRISON") was not registered to trade in securities under the Act.

**B. DETAILS**

1. At all material times, CB was a resident of Manitoba.
2. In or about late 2002, CB was referred to MORRISON by his mutual funds adviser.
3. In or about early 2003, MORRISON met with CB.
4. MORRISON enquired as to whether CB was interested in doing investments in private companies and advised as to what could be done for CB. MORRISON described a scenario whereby CB's money could be put into a certain trust company and thereafter into a private company, specifically, ADVANCED.

5. MORRISON further advised that the returns on the proposed investment could be up around 20%.
6. MORRISON met again with CB at which time MORRISON presented CB with paperwork for signing by CB. CB signed the paperwork as presented. Copies were not provided by MORRISON to CB.
7. At the second meeting with MORRISON, MORRISON reiterated that CB's money was going to the trust company and would be invested in ADVANCED.
8. Following this meeting with MORRISON, CB began to receive statements from the trust company evidencing an investment in securities of ADVANCED in the amount of \$40,000. The purchase of said securities occurred on or about March 31, 2003.
9. Investments CB had previously held in a locked-in Registered Retirement Savings Plan had been redeemed on or about February 20, 2003, converted to cash, transferred to the trust company, and invested into ADVANCED.
10. Approximately 2 years after the investment into ADVANCED, CB discovered that there was only approximately \$500 left in his account with the trust company.
11. On August 27, 2007, ADVANCED was dissolved.

### **C. ALLEGATIONS**

1. Staff of the Commission allege that MORRISON traded in securities without registration and without prospectus contrary to sections 6 and 37 of the Act and acted contrary to the best interests of the public, and therefore that an administrative penalty pursuant to subsection 148.1(1) of the Act should be ordered against MORRISON and that MORRISON should be ordered to pay costs of and incidental to the hearing.
2. Such further and other matters as counsel may advise and the Commission may permit.

**DATED** at Winnipeg, Manitoba this 8th day of November, 2007.

**Director, Legal and Enforcement**

**TO: CHARLES MORRISON**