

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: ROBERT SYME ("Syme")

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE THAT:

A. STATEMENT OF FACTS

1. Robert Syme ("Syme") was a resident of Manitoba. Microbex Ltd. ("Microbex") was a corporation incorporated under the laws of Manitoba on July 4, 2000.
2. At all material times, neither Syme or Microbex were registered to trade in securities under The Securities Act (the "Act").
3. At all material times, Microbex had not filed a preliminary prospectus or a prospectus with the Manitoba Securities Commission (the "Commission").
4. Microbex, on or about October 19, 2000, applied for an exemption order pursuant to section 20 of the Act which included a request for relief for some of the trades of securities referred to herein. No exemption order has been granted by the Commission in relation to this application.
5. Microbex was formed as a company to distribute products used in the biodegrading of human and animal waste.
6. Syme was an incorporator and a first director of Microbex.
7. Prior to Microbex being incorporated, Syme was involved in the raising of capital for Microbex.
8. Syme, or a company at his direction, was to be issued 175,000 shares in Microbex for work done in starting up Microbex.
9. Prior to Microbex being incorporated, the sum of \$145,000.00 was raised for shares to be issued out of treasury. This included the sum of \$10,000.00 invested by DW.
10. In or about May and June, 2000, Syme met with several individuals to sell shares in Microbex which were to be allocated to him. Prior to Microbex being incorporated, Syme sold shares in Microbex that were to be allocated to him to SL, MB, DW, DP, and AM. The amount invested by each individual was as follows:

INVESTOR

AMOUNT

INVESTED

DP	\$2,000.00
DW	\$5,000.00
SL	\$2,000.00
AM	\$2,500.00
MB	\$10,000.00

11. The Board of Directors of Microbex became aware, in or about September 2000, that Syme was selling shares of Microbex that were to be allocated

12. Syme attempted to mask the sale of shares to the foregoing individuals as either gifts or transfer of shares to the foregoing individuals in consideration for work done for Microbex.

13. Except as referred to below, none of SL, MB, DW, DP and AM did any work for Microbex.

14. On May 12, 2005, Syme pled guilty in the Provincial Court of Manitoba to 5 counts of trading in securities without being registered contrary to Section 6(1) of the Act.

15. The charges to which Syme pled guilty involved trades of shares of Microbex to DP, DW, SL, AM and MB referred to in paragraph 9 herein.

16. None of the foregoing investors received shares in Microbex nor their money back.

17. In addition to purchasing shares from Syme as set out above, DP performed \$3,000.00 worth of labour for Microbex for which Syme promised to give DP 3,000 shares in Microbex. DP did not receive these shares from Syme.

18. Microbex was dissolved at the Companies Office on November 15, 2002.

19. The Director, Legal and Enforcement ("Director") of the Commission has received an application from MB, DW, and DP for compensation for financial loss. The Director requests that the Commission order financial loss compensation in an amount to be determined at or prior to the hearing.

B. ALLEGATIONS

1. Staff of the Commission allege that Syme traded in securities without having been registered in contravention of Section 6(1) of the Act and without prospectus in contravention of Section 37(1) of the Act, and due to these allegations, it is in the public interest that Syme not be entitled use of the exemptions set out in the Act and should not be entitled to participate in the exempt markets in Manitoba in the future. Furthermore, Staff submits that Syme should be ordered to pay MB, DW and DP compensation for financial loss pursuant to subsection 148.2(3) of the Act.

2. Such further and other matters as counsel may advise the Commission may permit.

Dated at Winnipeg, Manitoba this 26th day of June, 2006.

Director, Legal and Enforcement

TO: Robert Syme