

IN THE MATTER OF: THE SECURITIES ACT

- and -

IN THE MATTER OF: ANDREW LENNOX TAYLOR

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE THAT:

A. STATEMENT OF FACTS

1. At all material times, Andrew Lennox Taylor ("Taylor") was not registered to trade in securities under The Securities Act of Manitoba (the "Act").
2. On March 4, 1996, Taylor pled guilty in the Provincial Court of Manitoba to eight charges of trading in securities without being registered, contrary to section 6(1) of the Act. The Court fined Taylor \$200.00 on each of the eight counts plus costs of \$2.00 on each count. In default, the Court ordered Taylor to be incarcerated 14 days consecutive on each count. Taylor was given until July 4, 1996 to pay.
3. On March 13, 1996, the Commission pronounced Order No. 1243 against Taylor whereby the Commission ordered:
 - 1) That, pursuant to subsection 19(5) of the Act:
 - a) the exemptions in subsection 19(1) and 19(3) of the Act do not apply to Taylor; and
 - b) the exemptions in subsection 19(2) do not apply to Taylor with respect to the securities referred to in that subsection,for a period of seven years from the date of the order, except:
 - i) in respect of securities that are the subject matter of a take-over bid, issuer bid or other similar bid or other offer made under applicable corporate or securities legislation or stock exchange rules; and
 - ii) Taylor is permitted to exercise conversion, exchange, transfer, redemption and other similar rights provided that such rights would be irretrievably lost if not exercised, or must be exercised at the request of a third party,

provided that Taylor may apply to the Deputy Director of the Commission to exempt a trade or trades by Taylor in circumstances where the Deputy Director determines that it would not be contrary to the public interest to grant or deny an exemption, provided further that a decision by the Deputy Director to grant or deny any exemption shall be final.

4. On February 7, 2003, Taylor entered guilty pleas in the Provincial Court of Manitoba to three counts of trading without registration contrary to section 6(1) of the Act and to three counts of trading without prospectus contrary to section 37(1) of the Act.

5. The charges before the court to which Taylor pled guilty were as follows:

Count 4

ANDREW LENNOX TAYLOR, between the 1st day of December, 1998 and on the 19th day of July, 1999, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba did trade in a security without being duly registered under The Securities Act, to wit: in connection with a trade of an interest in Bartizan Capital Corporation to Doug Bennett for consideration of \$100,000.00 contrary to Section 6(1) of The Securities Act, and did thereby commit an offence contrary to Section 136(1)(c) of The Securities Act.

Count 5

ANDREW LENNOX TAYLOR, between the 1st day of December, 1998 and on the 19th day of July, 1999, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities of Bartizan Capital Corporation in the course of a primary distribution to the public of the said securities, before both a preliminary prospectus and a prospectus in respect of the offering of the said securities had been filed with The Manitoba Securities Commission and receipts for such preliminary prospectus and prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: the trade of an interest in Bartizan Capital Corporation to Doug Bennett for consideration of \$100,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence contrary to Section 136(1)(c) of The Securities Act.

Count 7

ANDREW LENNOX TAYLOR, between the 1st day of September, 1998 and on the 10th day of May, 1999, at or near the City of Winnipeg, in the Province of Manitoba, did trade in a security without being duly registered under The Securities Act, to wit: in connection with a trade of an interest in Bartizan Capital Corporation to Harry Bosma for consideration of \$100,000.00 contrary to Section 6(1) of The Securities Act, and did thereby commit an offence contrary to Section 136(1)(c) of The Securities Act.

Count 8

ANDREW LENNOX TAYLOR, between the 1st day of September, 1998 and on the 10th day of May, 1999 at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities of Bartizan Capital Corporation in the course of a primary distribution to the public of the said securities, before both a preliminary prospectus and a prospectus in respect of the offering of the said securities had been filed with The Manitoba Securities Commission and receipts for such preliminary prospectus and prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: the trade of an interest in Bartizan Capital Corporation to Harry

Bosma for consideration of \$100,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence contrary to Section 136(1)(c) of The Securities Act.

Count 10

ANDREW LENNOX TAYLOR, between the 1st day of December, 1998 and on the 3rd day of May, 1999, at or near the City of Winnipeg, in the Province of Manitoba did trade in a security without being duly registered under The Securities Act, to wit: in connection with a trade of an interest in Bartizan Capital Corporation to Jack Kidd for consideration of \$100,000.00 contrary to Section 6(1) of The Securities Act, and did thereby commit an offence contrary to Section 136(1)(c) of The Securities Act.

Count 11

ANDREW LENNOX TAYLOR, between the 1st day of December 1998 and on the 3rd day of May, 1999 at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities of Bartizan Capital Corporation in the course of a primary distribution to the public of the said securities, before both a preliminary prospectus and a prospectus in respect of the offering of the said securities had been filed with The Manitoba Securities Commission and receipts for such preliminary prospectus and prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: the trade of an interest in Bartizan Capital Corporation to Jack Kidd for consideration of \$100,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence contrary to Section 136(1)(c) of The Securities Act.

6. On February 7, 2003 Judge Joyal imposed fines for the foregoing offences as follows:

<u>CHARGE</u>	<u>FINE</u>
Securities Act 136(1) Counts 4 and 10	\$2,500.00
Securities Act 136(1) Count 5	\$2,500.00
Securities Act 136(1) Counts 7 and 11	\$2,500.00
Securities Act 136(1) Count 8	\$2,500.00

Taylor was ordered to pay the foregoing fines within six months.

B. ALLEGATIONS

1. Staff of the Commission allege that:

(a) Taylor traded in securities without having been registered and without prospectus in contravention of sections 6 and 37 of the Act.

and that due to these allegations, Taylor should not be entitled to use any of the exemptions set out in the Act and should not be entitled to participate in the exempt markets in Manitoba in the future.

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

DATED at Winnipeg, Manitoba this 5th day of June, 2003.

Director, Legal and Enforcement

TO: ANDREW LENNOX TAYLOR