



THE MANITOBA
SECURITIES
COMMISSION

IN THE MATTER OF: THE SECURITIES ACT

-and-

**IN THE MATTER OF: WILLIAM GEORGE MacKAY and
ADVANTAGE WEALTH SYSTEMS INC.**

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

**STAFF OF THE MANITOBA SECURITIES COMMISSION (the "Commission")
ALLEGE THAT:**

A. REGISTRATION

1. William George MacKay ("MacKay") is a resident in the City of Winnipeg, in the Province of Manitoba.
2. Advantage Wealth Systems Inc. ("AWS") is a corporation incorporated pursuant to the laws of Manitoba.
3. At all material times, MacKay was a officer and director of AWS.
4. MacKay and AWS are not and have never been registered under *The Securities Act* (the "Act") in any capacity.

B. DETAILS

1. MacKay met D.H. at a recreation hockey league in or about 2006. D.H. and his wife L.H. (collectively the "Clients") became clients of MacKay.
2. Starting in or about May/June 2008, MacKay approached the Clients with various investment opportunities.

New Solutions Financial (II) Corporation ("NSF")

3. In or about the Spring of 2008, the Clients were introduced by MacKay to an investment opportunity with NSF.
4. The Clients were persuaded to enter into the investment with NSF as a result of representations and advice by MacKay which included MacKay's assurance that the principal of any investment was 100% guaranteed.
5. MacKay provided the Clients with various documents related to the purchase of investments in NSF.

6. MacKay also represented to the Clients that he personally invested in NSF and that he had done due diligence on NSF.
7. DH had initially invested \$50,000.00 in NSF in or about June, 2008, and \$40,000.00 in NSF in or about October, 2008. He was issued debentures in NSF.
8. DH's initial investments of \$90,000.00 were made under the Offering Memorandum exemption. In or about December, 2008 DH received correspondence from NSF that they were unable to utilize this exemption as part of their fund raising process. These investments were subsequently cancelled and re-issued as a \$90,000.00 investment for NSF debentures under the Accredited Investor Exemption.
9. On or about May 19, 2009, LH invested \$160,000.00 in NSF under the Accredited Investor Exemption. LH was issued debentures in NSF.
10. The Clients investment knowledge was poor and they relied on MacKay's advice and representations concerning the foregoing investments.
11. The Clients were sold their investments in NSF under the Accredited Investor Exemption. MacKay improperly calculated the net worth of the Clients and filed the trades under the Accredited Investor Exemption. The clients were not accredited investors.
12. The principal amounts invested by the Clients for the NSF investments were not guaranteed as stated by MacKay.
13. The Clients received interest payments for their investments with NSF until approximately January 2012. No further interest payments were received by the Clients.
14. In April, 2012, New Solutions sought protection from creditors under the *Companies' Creditors Arrangement Act*. A monitor was appointed and the Plaintiffs received the following amounts from the monitor;
 - a) On or about May 23, 2013, Denis received \$2,670.00 from the monitor in respect of his debentures in New Solutions.
 - b) On or about May 23, 2013, Lorraine received \$4,747.18 from the monitor in respect of her debentures in New Solutions.
15. The Clients have not received further payments for their investments in NSF.

Acushot

16. In or about October, 2009, DH purchased four (4) debentures in Acushot Inc. ("Acushot") for \$20,000.00 in reliance on representations and advice provided by MacKay.

17. The terms of the Debentures issued to D.H. included interest payments in the amount of 6.5% per annum payable monthly with a maturity date of December 31, 2014. DH received interest on the debentures from time to time but has not received any interest since October, 2013.
18. The debentures matured on December 31, 2014. DH has not received his principal amount invested.

Jaymour

19. On or about March 5, 2010, DH purchased bonds and shares in Jaymour American Opportunity 1 Registered Capital Ltd. ("Jaymour") for \$20,000.00 in reliance and on the advice of MacKay.
20. DH purchased the bonds and shares of Jaymour directly through a self-directed Registered Retirement Savings Plan through Olympia Trust Company.
21. DH was issued 408 Class B Common Shares and 408 Individual Bonds in Jaymour. The bonds provided D.H. was to receive interest payable at the rate of 6.5% per annum paid quarterly during the term of the Bonds.
22. DH received interest payments on his investment in Jaymour but has not received any payments since December 2013.
23. DH has not received his principal amount invested with Jaymour.

C. COMPENSATION FOR FINANCIAL LOSS

The Director, Legal and Enforcement ("Director") of the Commission has received applications for claims against MacKay for compensation for financial loss in favour of the Clients. The Director requests that the Commission order financial loss compensation to the claimants in an amount to be determined at or prior to the hearing.

D. ALLEGATIONS

1. Staff of the Commission allege that MacKay and AWS:
 - (a) traded in securities to D.H. without having been registered under the Act;
 - (b) acted as a securities adviser, investment counsel and/or adviser under the Act without being registered;
 - (c) acted in a manner contrary to the public interest;

and due to these allegations, it is in the public interest that pursuant to s.19(5) that MacKay and AWS not be entitled to use any of the exemptions in the Act and should not be entitled to participate in the exempt markets in the future. Staff further submit, due to these allegations, MacKay and AWS should be ordered to pay an administrative penalty pursuant to s.148.1(1) and/or s.148.1

(1.1) of the Act. Staff further request that MacKay be ordered to pay the Clients compensation for financial loss pursuant to section 148.2 of the Act, and an order pursuant to section 148.2(4) that AWS be held jointly and severally liable with MacKay for compensation for financial loss. Staff further request that MacKay pay costs of this hearing and be prohibited from being a officer or director of a company pursuant to subsection 148.3(1) of the Act.

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

DATED at the City of Winnipeg, in Manitoba this 2nd day of May, 2022.



Director

TO: WILLIAM GEORGE MacKAY

AND TO: ADVANTAGE WEALTH SYSTEMS INC.