

THE SECURITIES ACT

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Order No. 5593

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Section 148.1(1)

)

January 30, 2008

CHARLES MORRISON

WHEREAS:

(A) On November 8, 2007, The Manitoba Securities Commission ("Commission") issued a Notice of Hearing ("Notice"), by reason of the allegations set out in the Statement of Allegations of staff of the Commission dated November 8, 2007 ("Statement of Allegations"), giving notice of its intention to hold a hearing to consider, *inter alia*, whether or not it was in the public interest to grant an order pursuant to subsection 148.1(1) of The Securities Act ("Act") with respect to Charles Morrison ("Proceedings");

(B) Staff of the Commission and Charles Morrison ("MORRISON") entered into a Settlement Agreement (a copy of which is attached as Schedule "A") dated January 29, 2008 ("Settlement Agreement"), which proposed settlement of the Proceedings, subject to the approval of the Commission;

(C) MORRISON has consented to the issuance of this Order and has waived his right to a full hearing;

(D) On January 30, 2008, the Commission held a hearing ("Settlement Hearing") to consider whether or not to approve the Settlement Agreement;

(E) At the Settlement Hearing the Commission approved the Settlement Agreement, subject to certain amendments as requested and consented to by staff counsel and counsel for the respondent, and is of the opinion that it is in the public interest to make this order.

IT IS ORDERED:

1. THAT the Settlement Agreement, Schedule "A", be and the same is hereby approved, except that the date by which the second instalment of the administrative penalty shall be paid is March 15, 2008, not January 31, 2008, and the date by which the costs shall be paid is February 15, 2008.

2. THAT pursuant to subsection 148.1(1) of the Act, MORRISON pay an administrative penalty of \$5,000.00, to be paid in two equal instalments each in the amount of \$2,500.00, the first of which to be paid forthwith and the second of which to be paid no later than March 15, 2008;

3. THAT MORRISON pay to the Commission costs in the amount of \$500.00 to be paid by February 15, 2008.

BY ORDER OF THE COMMISSION

Director, Legal and Enforcement

Schedule A

Settlement Agreement

CHARLES MORRISON

and

The Staff of The Manitoba Securities Commission

**The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5**

SETTLEMENT AGREEMENT

A. Introduction

A1. On November 8, 2007, The Manitoba Securities Commission ("Commission") issued a Notice of Hearing ("NOH") and Statement of Allegations ("SOA") naming Charles Morrison ("MORRISON") as respondent and giving notice of its intention to hold a hearing under *The Securities Act* ("Act") to consider:

1. whether or not it is in the public interest to order, pursuant to subsection 148.1(1) of the Act, that MORRISON pay an administrative penalty;
2. whether or not it is in the public interest to order that the respondent pay the costs of and incidental to the hearing;
3. such further and other matters and the making of such further and other orders as the Commission may deem appropriate.

A2. Discussions have been held between the respondent and staff of the Commission ("Staff") in an effort to settle the matters set out in the NOH and SOA ("Proceedings"). A settlement ("Settlement") has been reached based on the terms and conditions set forth in this agreement ("Settlement Agreement").

A3. Pursuant to the Settlement, Staff agrees to recommend to the Commission that the Proceedings initiated against the respondent be resolved and disposed of in accordance with the terms and conditions of this Settlement Agreement as set forth below. The respondent consents

to the Settlement and to the making of the consent order referred to in paragraph D. below, on the terms and conditions set forth in this Settlement Agreement.

B. Statement of Agreed Facts

B1. ADVANCED RESCUE TECHNOLOGIES INC. ("ADVANCED") was a corporation incorporated on February 6, 1998 under the laws of the Province of British Columbia.

B2. At all material times, ADVANCED was not registered to trade in securities under the Act.

B3. At all material times, ADVANCED had not filed a preliminary prospectus or a prospectus with the Commission, nor had it applied for or been granted an exemption order under section 20 of the Act.

B4. 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.

B5. At all material times, MORRISON was not registered to trade in securities under the Act.

B6. At all material times, Clayton R. Brown ("BROWN") was a resident of Manitoba.

B7. In or about late 2002, BROWN was referred to MORRISON by his mutual funds adviser.

B8. In or about early 2003, MORRISON met with BROWN.

B9. MORRISON enquired as to whether BROWN was interested in doing investments in private companies and advised as to what could be done for BROWN. MORRISON described a scenario whereby BROWN's money could be put into a certain trust company and thereafter into a private company, specifically, ADVANCED.

B10. MORRISON further advised that the returns on the proposed investment could be up around 20%.

B11. MORRISON met again with BROWN at which time MORRISON presented BROWN with paperwork for signing by BROWN. BROWN signed the paperwork as presented. Copies were not provided by MORRISON to BROWN.

B12. At the second meeting with MORRISON, MORRISON reiterated that BROWN's money was going to the trust company and would be invested in ADVANCED.

B13. Following this meeting with MORRISON, BROWN 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.

B14. Investments BROWN 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.

B15. Approximately 2 years after the investment into ADVANCED, BROWN discovered that there was only approximately \$500 left in his account with the trust company.

B16. On August 27, 2007, ADVANCED was dissolved.

C. Acknowledgements

C1. The Commission has previously issued an order against MORRISON resulting from another enforcement hearing matter, said order being Order No. 4333 dated November 24, 2003 which provided for a denial of exemptions for an indefinite period. Order No. 4333 continues to remain in effect and will not be affected by the order proposed in this Settlement Agreement.

C2. As to the Proceedings, currently before the Commission, MORRISON acknowledges and admits that he acted contrary to the public interest in that he traded in securities without registration and without prospectus contrary to sections 6 and 37 of the Act.

D. Terms of Settlement

D1. In order to effect a resolution of the issues raised by the Proceedings, Staff and the respondent have entered into this Settlement Agreement.

D2. Upon this basis, Staff seek an order ("Consent Order") from the Commission pursuant to subsection 148.1(1) of the Act that:

(a) the Settlement Agreement be approved;

(b) pursuant to subsection 148.1(1) of the Act, MORRISON pay an administrative penalty of \$5,000.00, to be paid in two equal instalments each in the amount of \$2,500.00, the first of which to be paid forthwith upon approval of the Settlement Agreement and the second of which to be paid no later than January 31, 2008;

(c) MORRISON pay to the Commission costs in the amount of \$500.00 to be paid forthwith upon approval of the Settlement Agreement.

E. Procedure for Approval of Settlement

E1. The approval of this Settlement Agreement and the making of the Consent Order set out in this Settlement Agreement shall be sought at a public hearing pursuant to the NOH.

E2. Staff and the respondent agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted to the Commission in

connection with the Proceedings and the respondent hereby waives his right to a full hearing and appeal of this matter.

E3. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the Consent Order referred to in paragraph D. above is not made by the Commission, Staff will be entitled to proceed with the hearing commenced by the NOH unaffected by this Settlement Agreement or the settlement discussions. If this Settlement Agreement is not approved or the Consent Order set out in paragraph D. above is not made by the Commission, the terms of this Settlement Agreement will not be raised in the Proceedings or in any other proceeding.

E4. Staff and the respondent agree that if this Settlement Agreement is approved by the Commission and the Consent Order made upon the terms set out in this Settlement Agreement, this Settlement Agreement will be a public document.

E5. The respondent agrees that he will not raise in any proceeding this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as a basis for an attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other challenge that may be available.

E6. If this Settlement Agreement is approved by the Commission and the Consent Order is made upon the terms set out in this Settlement Agreement, neither Staff nor the respondent will make any statement inconsistent with this Settlement Agreement.

DATED at Winnipeg, Manitoba, this "28" day of December, 2008.

"Richard Wolson"
Witness

"Charles Morrison"
Charles Morrison

DATED at Winnipeg, Manitoba, this "29" day of December, 2008.

Staff of the Manitoba Securities Commission
per: "Douglas R. Brown"
Director, Legal and Enforcement