

**ALBERTA SECURITIES COMMISSION**

**AMENDED NOTICE OF HEARING**

**Citation: Gold-Quest International Corporation, Re, 2009 ABASC 242      Date: 20090519**  
**Docket: E/03873**  
*Securities Act, R.S.A. 2000, c. S-4, as amended (Act)*

**To:** Gold-Quest International Corp., David Michael Greene, John Jenkins, Michael McGee, and Delroy Atwood

**Notice:** The Alberta Securities Commission (**Commission**) will convene at 9am on Thursday, the 9th day of July 2009, at Calgary, Alberta, to set a date for a hearing respecting the allegations in this Notice in Lethbridge or elsewhere in Alberta and to deal with any preliminary matters. At the hearing, the Commission will consider whether it is in the public interest to order:

- (i) Under subsection 198(1)(a) of the *Act*, that trading in or purchasing cease in respect of specified securities;
- (ii) Under subsection 198(1)(b) of the *Act*, that you cease trading in or purchasing securities;
- (iii) Under subsection 198(1)(b.2) of the *Act*, that you be reprimanded;
- (iv) Under subsection 198(1)(c) of the *Act*, that any or all of the exemptions contained in the Alberta securities laws do not apply to you;
- (v) Under subsection 198(1)(d) and (e) of the *Act*, that you resign any positions that you hold as a director or officer of an issuer, registrant or investment fund manager and that you be prohibited from becoming or acting as a director or officer or as both a director and officer of any issuer, registrant, or investment fund manager;
- (vi) Under subsection 198(1)(e.3) of the *Act*, that you be prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
- (vii) Under subsection 198(1)(i) of the *Act*, that you pay to the commission any amounts obtained or payments or losses avoided as a result of non-compliance with Alberta securities laws;
- (viii) Under subsection 199 of the *Act*, that you each pay an administrative penalty to the Commission;

(ix) Under subsections 202(1) and (2) of the *Act*, that you pay the costs of the investigation and hearing to the Commission; and

(x) Such further and other order under Section 198 as the Commission deems appropriate.

**Location:** Alberta Securities Commission, 6<sup>th</sup> Floor, 300 – 5<sup>th</sup> Avenue SW, Calgary, Alberta.

**Procedure:**

1. You may obtain disclosure and particulars of the allegations in this Notice from Shannon Hindmarch, c/o Alberta Securities Commission, 4<sup>th</sup> Floor, 300 - 5 Avenue SW, Calgary, Alberta, T2P 3C4, telephone 403.297-2524.
2. You may be represented by legal counsel and you or your counsel may make representations and introduce relevant evidence.
3. If you or your counsel fail to attend on July 9<sup>th</sup>, 2009, at 9 am, or as directed, the hearing may proceed in your absence and an order may be made against you without further notice.

*See also section 29 of the Act and Rule 15-501, Rules*

## **Allegations**

1. Staff of the Commission (**Staff**) alleges that Gold-Quest International Corp. (**Gold-Quest**), David M. Greene, a.k.a. David Green, a.k.a. Lord David Greene (**Greene**), John Jenkins (**Jenkins**), Michael McGee (**McGee**), and Delroy Atwood (**Atwood**) (collectively, the **Respondents**) traded in securities in Alberta when not registered to do so and engaged in an illegal distribution in Alberta of securities of Gold-Quest to Alberta residents and acted contrary to the public interest.

### *Parties*

2. Gold-Quest was incorporated in Panama in 2004, and has an office in Las Vegas, Nevada.
3. Greene is believed to be a Canadian citizen, who had been living in Las Vegas, Nevada, for the last several years. At all material times, Greene represented himself as the founder and President of Gold-Quest, and Panamanian records list Greene as the Secretary of Gold-Quest. As such, Greene authorized, permitted or acquiesced in Gold-Quest's misconduct described below. Greene is believed to have recently relocated to Lethbridge, Alberta.
4. John Jenkins is a Las Vegas, Nevada resident. At all material times, Jenkins represented himself as an owner and director of Gold-Quest. As such, Jenkins authorized, permitted or acquiesced in Gold-Quest's misconduct described below.
5. Michael McGee is a Las Vegas, Nevada resident who also at all material times identified himself as an owner and director of Gold-Quest, and as such authorized, permitted or acquiesced in Gold-Quest's misconduct described below. McGee is listed as the "administrative, technical and registrant" contact for the Gold-Quest website ([www.goldquestinternational.com](http://www.goldquestinternational.com)).
6. Greene, Jenkins and McGee are all signatories for Gold-Quest's bank and Internet "e-currency" accounts.
7. Delroy Atwood is listed on Panamanian records as the President of Gold-Quest, and as such authorized, permitted or acquiesced in Gold-Quest's misconduct described below. Atwood is believed to be currently residing in Coaldale, Alberta.
8. None of the Respondents have ever been registered in any capacity with the Executive Director of the Commission (**Executive Director**).

### *Circumstances*

9. From January 1<sup>st</sup>, 2006 through June 2008, Gold-Quest raised more than \$27.9 million from over 2,940 investors in Canada and the United States. Of these investors, more than 400 were Alberta residents (the **Investors**), who contributed in excess of \$2,000,000 to Gold-Quest.
10. Gold-Quest guaranteed the Investors an 87.5% return on their investments after one year. Gold-Quest represented that it was able to achieve such high returns through trading in foreign

currencies, and the Respondents unjustifiably touted the safety of investments in Gold-Quest, contrary to subsection 92(4.1) of the *Act*.

11. Gold-Quest employed a multi-level marketing scheme, providing up-front referral fees of 10% and on-going monthly trailer fees for current investors who brought in new investors.

12. From May, 2006 through April, 2008, Gold-Quest paid distributions to investors totalling approximately \$19.1 million, although it had not received any income from foreign currency trading or any other type of business operations during that time.

13. Staff alleges that the sales in securities of Gold-Quest to the Investors were trades as defined in the *Act*. As trades in the securities of an issuer that had not previously been issued, the sales of securities of Gold-Quest were also distributions as defined in the *Act*.

14. At no time did any of the Respondents file with the Executive Director and receive a receipt for a preliminary and final prospectus, and Staff alleges there were no applicable exemptions for many or all of these trades.

*Breaches*

15. As a result of the above, Staff alleges that the Respondents:

15.1 breached subsection 75(1)(a) of the *Act* by trading in securities of Gold-Quest without registration or applicable exemption;

15.2 breached subsection 92(4.1) of the *Act* by making statements about anticipated returns and the safety of investments in Gold-Quest that they knew or ought to have known were misleading and untrue; and

15.2 breached subsection 110(1) of the *Act* by engaging in a distribution of securities of Gold-Quest without filing and receiving a receipt for a preliminary or final prospectus, and without an appropriate exemption.

16. Staff alleges that the failure of the Respondents to comply with the registration and prospectus requirements of the *Act* amounts to conduct that was contrary to the public interest.

Calgary, Alberta, May 19 2009.

) ALBERTA SECURITIES COMMISSION  
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)  
) “Original Signed By”  
) John P. Petch  
) Director, Enforcement