

**ALBERTA SECURITIES COMMISSION**

**NOTICE OF HEARING**

**Citation: Sellars Financial Inc., Re, 2009 ABASC 307**

**Date: 20090625  
Docket: E/04215**

*Securities Act, R.S.A. 2000, c. S-4 (Act)*

**To: Sellars Financial Inc., Robert John Sellars and Penny Jean Sellars**

**Notice:** The Alberta Securities Commission (**Commission**) will convene on Tuesday, the 7<sup>th</sup> day of July, 2009, at 1:30 pm, for a hearing to consider whether it is in the public interest to extend the interim cease trade order granted in this matter on June 24, 2009.

**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 Richard J. Finn, c/o Alberta Securities Commission, 4<sup>th</sup> Floor, 300 - 5 Avenue SW, Calgary, Alberta, T2P 3C4, telephone 403.297.4967.
2. You may be represented by legal counsel and you or your counsel may make representations and introduce relevant evidence at the hearing.
3. If you or your counsel fail to attend on the 7<sup>th</sup> day of July, 2009, at 1:30pm, 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 Commission Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.*

## **Allegations**

### *Summary of Breaches*

1 Staff of the Commission (**Staff**) alleges that Sellars Financial Inc. (**SFI**), Robert John Sellars (**Robert Sellars**) and Penny Jean Sellars (**Penny Sellars**) (collectively, the **Respondents**), have engaged in illegal trading and distribution in Alberta of securities of SFI.

2 Staff further alleges that Robert Sellars failed to comply with a decision of the Commission prohibiting him from trading in or purchasing securities.

### *Parties*

3 SFI is an Alberta company that purports to carry on business as a provider of investment products.

4 Robert Sellars is an Alberta resident, and at all material times was the sole director and shareholder of SFI.

5 Penny Sellars is an Alberta resident, and at all materials times was a signing officer of SFI.

6 None of the Respondents has ever been registered with the Executive Director of the Commission (**Executive Director**), in any capacity.

### *Circumstances*

#### Illegal Trading and Distribution

7 Staff alleges that the Respondents traded Fixed Rate Term Notes (**SFI Notes**) to more than 250 Alberta investors from approximately August 2001 to May 2009, raising in excess of \$30,000,000.

8 Staff alleges that the SFI Notes, which typically had one year terms and paid interest of between 10-18% annually, were securities as defined in the *Act*. Staff further alleges the sale of the SFI Notes to the Alberta investors were trades of securities and that the trades, in securities of SFI that had not previously been issued, constituted a distribution, as both terms are defined in the *Act*.

9 None of the Respondents has filed a preliminary or final prospectus with and obtained a receipt from the Executive Director for the distribution of any SFI securities.

10 Staff alleges that none of the exemptions permitted under Alberta securities laws were available to the Respondents for the sale of the SFI Notes to some or all of the Alberta investors.

#### Breach of a Commission Order

11 On November 28<sup>th</sup>, 2006, in a decision cited as *Re Hampton Court Resources Inc.* 2006 ABASC 1841, the Commission ordered that Robert Sellars be prohibited from trading in, or purchasing, any securities except through a registered investment dealer and that he be denied

the use of any exemptions available under Alberta securities laws for the period November 28<sup>th</sup> 2006 to November 28<sup>th</sup> 2008.

12 Based on the allegations herein, Staff alleges that Robert Sellars failed to comply with the Commission's decision.

*Breaches*

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

13.1 breached section 75 of the *Act* by conducting trades in SFI securities without being registered in accordance with the *Act*; and

13.2 breached section 110 of the *Act* by engaging in a distribution of SFI securities without filing and obtaining a receipt for a preliminary prospectus or prospectus, and without an appropriate exemption.

14 Staff also alleges that Robert Sellars breached Section 93.1 of the *Act* by failing to comply with a November 26, 2006, decision of the Commission prohibiting him from trading in or purchasing securities in the period November 28, 2006, to and including November 28, 2008.

15 Staff alleges that the Respondents failure to comply with the registration and prospectus requirements in the Act, and Robert Sellars failure to comply with a Commission decision, amounted to conduct that was contrary to the public interest.

Calgary, Alberta, 25 June 2009.

) ALBERTA SECURITIES COMMISSION  
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) "*original signed by*"  
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) John P. Petch  
) Director, Enforcement