

**ALBERTA SECURITIES COMMISSION**

**NOTICE OF HEARING**

**Citation:** Shire International, Re, 2009 ABASC 276

**Date:** 20090605

**Docket:** E/04130

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

**To:** **Jeanette Cleone Couch, Shire International Real Estate Investment Ltd., Shire Asset Management Ltd., Hawaii Fund, and Maples and White Sands Investment Ltd.**

**Notice:** The Alberta Securities Commission will convene on Tuesday, 16 June 2009, at 2 p.m., for a hearing to consider whether it is in the public interest to extend the interim cease trade order granted in this matter on 4 June 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 Liam Oddie, c/o Alberta Securities Commission, 4<sup>th</sup> Floor, 300 - 5 Avenue SW, Calgary, Alberta, T2P 3C4, telephone 403.297.4295.
  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 16 June 2009 at 2 p.m., 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 of Practice and Procedure for Commission Proceedings.*

## **Allegations**

### *Summary of Breaches*

1. Staff of the Alberta Securities Commission (respectively **Staff** and **Commission**) alleges that Jeanette Cleone Couch (**Couch**), Shire International Real Estate Investment Ltd. (**Shire**), Shire Asset Management Ltd. (**Shire Asset**), Hawaii Fund, and Maples and White Sands Investment Ltd. (**Maples**) (collectively, the **Respondents**), have made materially misleading or untrue statements, both to potential investors and to Commission investigators, and have engaged in an act, practice, or course of conduct relating to a security that they knew or reasonably ought to have known would perpetrate a fraud on investors.

### *Parties*

2. Hawaii Fund is a trust established to issue units for the stated purpose of obtaining funds to buy and develop three properties located in Maui, Hawaii, U.S.A..
3. Maples is an Alberta company established to issue mortgage units for the stated purpose of obtaining funds to buy and develop certain properties located in Sorrento, British Columbia.
4. Shire Asset is an Alberta company. It is the trustee and manager of Hawaii Fund, and one of its promoters.
5. Shire is an Alberta company that purports to carry on business as a real estate developer. It is Hawaii Fund's promoter and Maples' selling agent.
6. Couch is an Alberta resident, and the sole director and officer of Shire, Shire Asset, and Maples, as well as the directing mind of Hawaii Fund.

### *Circumstances*

7. Until 4 June 2009, the Respondents were soliciting investors, including Alberta investors, to raise capital under an offering memorandum (**OM**) for each Hawaii Fund and Maples.
8. In the Hawaii Fund and Maples OMs, the Respondents made statements to investors they knew or ought reasonably have known were materially misleading or untrue, including:
  - 8.1. that Shire was buying two of the properties targeted by Hawaii Fund for development (**Target Properties**) for \$2.5 million from a company controlled by Couch, which had purchased them for the same price from an unrelated party in 2006;
  - 8.2. that Shire was buying one of the Target Properties for \$5.3 million from a numbered Alberta company, which had purchased it for the same price from an unrelated company in 2007;
  - 8.3. that Shire was in the process of making an application for a building permit for two of the Target Properties; and
  - 8.4. that Shire had a particular real estate development project portfolio, without accurately disclosing the status of the projects.

9. Staff alleges that the Respondents knew or ought to have known that the statements in paragraph 8 would reasonably be expected to have a significant effect on the market price or value of a security.
10. Staff alleges that the Respondents engaged in conduct relating to securities that they knew or reasonably ought to have known would perpetrate a fraud on investors, in that:
  - 10.1. the Respondents knowingly used raised capital for undisclosed, improper purposes and knowingly deceived investors with respect to the ownership status and acquisition of the Target Properties, the use of the funds raised, and the deceitful nature of the Respondents' business;
  - 10.2. the Respondents' deceitful conduct either caused actual loss to investors or placed investors' pecuniary interests at risk; and
  - 10.3. the Respondents knew that their deceitful conduct could have such a consequence.
11. In the course of an interview conducted by Commission investigators, the Respondents, under oath, made numerous misleading and untrue statements to investigators concerning Shire's capital raising and real estate development activities.

*Breaches*

12. As a result of the above, Staff alleges that the Respondents:
  - 12.1. breached s.92(4.1) of the *Act* by making statements that they knew or reasonably ought to have known were materially misleading or untrue and would reasonably be expected to have a significant effect on the market price or value of a security;
  - 12.2. breached s.93 of the *Act* by engaging or participating in an act, practice, or course of conduct relating to a security that they knew or reasonably ought to have known would perpetrate a fraud on a person or company; and
  - 12.3. breached s.221.1(2) of the *Act* by making materially misleading and untrue statements to Commission investigators.
13. Staff alleges that the Respondents' conduct, as described above, is contrary to the public interest.

Calgary, Alberta, 5 June 2009.

) ALBERTA SECURITIES COMMISSION  
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) "*ORIGINAL SIGNED BY*"  
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) David Linder  
) Executive Director, Alberta Securities  
Commission