

ALBERTA SECURITIES COMMISSION

UNDERTAKING

Citation: Teluric International Investments Ltd., Re, 2009 ABASC 504

Date: 20091013

Docket: E/04369

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

**Teluric International Investments Ltd., Teluric Diversified Fund,
David Humeniuk and Elizabeth Humeniuk**

Background

1. Teluric International Investments Ltd. (**TIIL**) operated a website at website addresses www.teluricinvestments.com and www.realisticreturns.com (the **TIIL Website**). The **TIIL Website** explained that, “The Teluric Diversified Fund is Canada’s #1 Private Mutual Fund Trust offering debt free real estate security. A Teluric Investment pays solid monthly cash flow income with attractive capital gains in the medium term. Our strategy is safe, predictable and proven. Our Private Mutual Fund Trust offers a debt free investment secured by commercial real estate with long term covenant tenants. We know the market, buy carefully and spend what is necessary to maximize the return.” The **TIIL Website** advertised seminars where members of the public could learn about the investment offered through **TIIL**.
2. David Humeniuk, a Director and President of **TIIL**, provided staff of the Alberta Securities Commission (respectively, **Staff** and **Commission**) with a Confidential Offering Memorandum dated February 12, 2009, naming Teluric Diversified Fund (**TDF**) as the issuer (the **TDF OM**). The **TDF OM** contained a certificate certifying that the **TDF OM** did not contain a misrepresentation. This certification was made by the following individuals and entities:
 - TDF, by its Administrator **TIIL** (signed by David Humeniuk as the President and Director and Elizabeth Humeniuk as the Vice President and Director)
 - TIIL** as Promotor (signed by David Humeniuk as the President and Director and Elizabeth Humeniuk as the Vice President and Director)
 - David Humeniuk as Promotor
 - Elizabeth Humeniuk as Promotor
3. Section 3.3 (*Penalties, Sanctions and Bankruptcy*) of the **TDF OM** did not make reference to a Settlement Agreement and Undertaking dated December 22, 2008, between Concrete Equities Executive Club Inc. (**Concrete Equities**) and the Commission (*Re Concrete Equities Executive Club Inc.*, 2008 ABASC 729)(the **Concrete Equities Settlement Agreement and Undertaking**). At the time of the Concrete Equities Settlement Agreement and Undertaking, David Humeniuk was a Director of Concrete Equities.

4. Form 45-106F2 – *Offering Memorandum for Non-Qualifying Issuers of National Instrument 45-106 Prospectus and Registration Exemptions* indicates that it is a requirement in an Offering Memorandum to:
 - (a) Disclose any penalty or sanction (including the reason for it and whether it is currently in effect) that has been in effect during the last 10 years against
 - (i) a director, executive officer or control person of the issuer, or
 - (ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at the time.
5. Staff informed David Humeniuk that the Concrete Equities Settlement Agreement and Undertaking should have been disclosed in Section 3.3 (*Penalties, Sanctions and Bankruptcy*) of the TDF OM, and that Staff had additional concerns with respect to adequacy of certain disclosure in the TDF OM. In response, David Humeniuk advised Staff that TIIL had never sold any units to investors, and that TIIL had "... permanently closed its doors." TIIL has disabled the TIIL Website.

Parties

6. TIIL was incorporated in Alberta on November 14, 2006 and has its registered office in Calgary, Alberta. TIIL has never been a reporting issuer. At all material times, David Humeniuk and Elizabeth Humeniuk were its Directors. David Humeniuk was the President of TIIL and owned 51% of its voting shares, and Elizabeth Humeniuk was the Vice-President of TIIL and owned 49% of its voting shares.
7. According to the TDF OM, TDF, "... is an unincorporated open-ended limited purpose trust created under the laws of the Province of Alberta pursuant to a declaration of trust dated February 12, 2009 (the "Declaration of Trust") between Dave Humeniuk, as the first trustee (the "Trustee") and Elizabeth Humeniuk, as the initial unitholder (the "Initial Unitholder")." TDF had its head office in Calgary, Alberta, and was never a reporting issuer.
8. David Humeniuk is a resident of Calgary, Alberta.
9. Elizabeth Humeniuk is a resident of Calgary, Alberta, and is the spouse of David Humeniuk.

Undertaking

10. TIIL, TDF, David Humeniuk and Elizabeth Humeniuk undertake to the Executive Director upon execution of this Agreement that TIIL, TDF, David Humeniuk and Elizabeth Humeniuk will cease all trading and refrain from any further trading in securities of TDF, until such time as the Executive Director releases TIIL, TDF, David Humeniuk and Elizabeth Humeniuk from this undertaking.

Administration

11. Terms used in this Agreement have the same meaning as provided in Alberta securities laws, a defined term in the *Act*.
12. TIIL, TDF, David Humeniuk and Elizabeth Humeniuk acknowledge that each has voluntarily made the undertaking herein.
13. TIIL, TDF, David Humeniuk and Elizabeth Humeniuk acknowledge that this undertaking may be published and referred to in any other proceedings under the *Act* in the event of its breach.

Signed by Teluric International)
 Investments Ltd. at Calgary,)
 Alberta this 13th day of)
 October 2009, in the presence of:)
)
 “Original Signed By”)
 (Witness Signature))
 Print Witness Name: Jolie Rattenbury)

Teluric International Investments Ltd.

“Original Signed By” _____ President
 (Signature)
 Print Name: David Humeniuk

Signed by Teluric Diversified)
 Fund at Calgary, Alberta)
 this 13th day of October, 2009,)
 in the presence of:)
)
 “Original Signed By”)
 (Witness Signature))
 Print Witness Name: Jolie Rattenbury)

Teluric Diverisfied Fund

“Original Signed By” _____ Vice President
 (Signature)
 Print Name: Elizabeth Humeniuk

Signed by David Humeniuk)
 at Calgary, Alberta)
 this 13th day of October, 2009,)
 in the presence of:)
)
 “Original Signed By”)
 (Witness Signature))
 Print Witness Name: Jolie Rattenbury)

“Original Signed By” _____
David Humeniuk

Signed by Elizabeth Humeniuk)
 at Calgary, Alberta)
 this 13th day of October, 2009,)
 in the presence of:)
)
 “Original Signed By”)
 (Witness Signature))
 Print Witness Name: Jolie Rattenbury)

“Original Signed By” _____
Elizabeth Humeniuk