

ALBERTA SECURITIES COMMISSION

Citation: Re Stewart, 2017 ABASC 180

Docket: ENF-011327

Date: 20171129

NOTICE OF HEARING

To: Robert Carl Stewart and Tamarisk Energy Corp. (the **Respondents**)

Notice: The Alberta Securities Commission (the **Commission**) will convene at 12:30 p.m. on January 11, 2018, at Calgary, Alberta, to set a date for hearing regarding the allegations in this Notice. At the hearing, the Commission will consider whether it is in the public interest to make orders against you under sections 198, 199, and 202 of the *Securities Act*, RSA 2000, c S-4, as amended (*Act*).

Location: Alberta Securities Commission, 5th Floor, 250 – 5 Street SW, Calgary, Alberta.

Procedure:

1. You may obtain disclosure and particulars of the allegations in this Notice from Heather Currie, c/o Alberta Securities Commission, 600, 250 - 5 Street SW, Calgary, Alberta, T2P 0R4, telephone: 403.592.3054, email: heather.currie@asc.ca.
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 at 12:30 p.m. on January 11, 2018, or as directed, the hearing may proceed in your absence and an order may be made against you without further notice.

See attached sections 29, 198, 199, and 202 of the Act, and Commission Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.

Reciprocation: Take notice that orders or settlements made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Notice, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

Allegations

Parties

1. Tamarisk Energy Corp. (**Tamarisk**) was incorporated in Alberta on August 12, 2010, and had its head office in Edmonton, Alberta. Tamarisk was in the business of pursuing oil and gas interests in the United States.
2. Robert Carl Stewart (**Stewart**) is a resident of Edmonton, Alberta. At all material times, Stewart was a director, officer, and the guiding mind of Tamarisk.

Circumstances

3. Capital was raised by Stewart, on behalf of Tamarisk, through the issuance of the following securities in Tamarisk (the **Securities**):
 - 3.1 common class "A" shares; and
 - 3.2 warrants entitling the holder to purchase common class "A" shares.
4. In or around February 2015, Tamarisk was struck from the Alberta corporate registry for failure to file annual returns.

Illegal Distributions

5. From November 29, 2011 and onward, Stewart raised, on behalf of Tamarisk, approximately \$750,000 through distributions of the Securities to residents of Alberta and British Columbia (the **Distributions**).
6. The Securities were each a "security" as defined in the *Act* and, as trades in securities of an issuer that had not been previously issued, the sale of the Securities were "distributions" as defined in the *Act*.
7. At no material point in time was a preliminary prospectus nor a final prospectus filed with, or receipted by, the Executive Director of the Commission in respect of the Distributions.
8. The Respondents purportedly relied upon prospectus exemptions under National Instrument 45-106, *Prospectus Exemptions (NI 45-106)*, but failed to qualify investors for these exemptions in connection with the Distributions.
9. For the majority of the Distributions, totalling approximately \$450,000, prospectus exemptions were not available.

Misleading Information – False Filings of Reports of Exempt Distribution

10. From November 29, 2011 and onward, the Respondents filed reports of exempt distribution with the Commission, which contained misleading information, being

