

ALBERTA SECURITIES COMMISSION

IN THE MATTER OF the Securities Act
S.A. 1981, c. S-6.1, as amended (the "Act")

- and -

IN THE MATTER OF Daunavan Buyer
(the "Respondent")
and
518718 Alberta Ltd.
operating as Alberta Business Capital

SETTLEMENT AGREEMENT AND UNDERTAKING

1. INTRODUCTION

- 1.1 The Staff of the Alberta Securities Commission (the "Commission") conducted an investigation into allegations that the Respondent breached the requirements of the Act or rules pursuant to the Act (the "Rules"); and
- 1.2 the Executive Director and the Respondent have agreed to resolve the allegations against the Respondent in this matter based on the terms and conditions set out herein.

2. AGREED STATEMENT OF FACTS

- 2.1 The Respondent is a resident of the City of Calgary, in the Province of Alberta. He is 67 years old. Since 1993, he has been licensed to sell mutual funds and employed as a mutual fund salesman. Prior to 1993, the Respondent was employed as a butcher. At no time has the Respondent ever been registered to sell securities under the *Alberta Securities Act*;
- 2.2 518718 Alberta Ltd., operating as Alberta Business Capital ("ABC") was incorporated under the laws of Alberta on February 12, 1992 as a private company, as that term is defined in the Act;

- 2.3 at all material times, the directors of ABC were Don Leibel and Lyle Pledge;
- 2.4 prior to becoming a mutual fund salesman, the Respondent became acquainted with Lyle Pledge, who was a regular customer of his butcher business;
- 2.5 when Lyle Pledge offered the Respondent the opportunity to work for ABC as a commissioned salesman, the Respondent accepted;
- 2.6 subsequently, between June, 1997 and April, 1998, the Respondent traded in securities, to wit, promissory notes, in ABC to 7 investors (the "Investors"), raising a total of \$167,761.44;
- 2.7 the monies raised from the Investors were purportedly raised in reliance on the exemptions from the registration and prospectus requirements contained in subsections 66(j) and 115(a) of the Act, commonly referred to as the "private company" exemption;
- 2.8 all of the Investors with whom the Respondent traded in the securities of ABC were clients to whom he had sold mutual funds or insurance policies;
- 2.9 the Investors were all well-known to the Respondent and included his mother;
- 2.10 as a result of the trades in securities described in paragraph 2.6 above, the Respondent earned \$7,569.00 in commissions;
- 2.11 upon being advised by Commission Staff that his activities in trading in securities without being registered under the Act to do so were the subject of investigation, the Respondent immediately ceased such trading activities;
- 2.12 by selling securities without being registered under the Act to do so, the Respondent acted in a manner contrary to the Act, the Rules and the public interest.

3. SETTLEMENT TERMS

- 3.1 The Respondent hereby undertakes to the Executive Director that he will make himself aware of the requirements of the Act and that he will comply with the Act and the Rules in the future;

- 3.2 on or before May 5, 2000, the Respondent shall repay to the Investors the sum of \$5,000.00 as follows:

Gordon and Ruth Elsasser	\$2,464.48
Kevin Elsasser	\$615.32
Marie Zurcher	\$481.34
David Othen	\$457.04
Albert and Mae Hixt	\$385.74
Emanuel and Lawrence Neher	\$298.04
Rose Buyer	\$298.04

- 3.3 the Respondent agrees to pay to the Commission at the time of execution of this Settlement Agreement and Undertaking the sum of \$1,000.00 towards the costs of the investigation;
- 3.4 the Respondent hereby waives any right that he may have under the Act or otherwise to a hearing, review, judicial review or appeal of the matters referred to herein;
- 3.5 this Settlement Agreement and Undertaking resolves all matters described herein, and the Staff will take no further steps, including the initiation of any proceedings before the Commission in this regard.

Signed by Daunavan Buyer
at Calgary, Alberta this 1st day of
May, 2000 in the presence of:

Witness Name
WITNESS

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)
) (Original Signed By)
) Daunavan Buyer
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Dated at CALGARY, ALBERTA

this 1st day of May, 2000

) ALBERTA SECURITIES COMMISSION
)
) (Original Signed By)
) Gary Cornfield
) Director, Enforcement