

# ALBERTA SECURITIES COMMISSION

**Citation:** Re Shaw, 2018 ABASC 30

**Docket:** ENF-011250

**Date:** 20180216

## NOTICE OF HEARING

**To:** Logan Keith Shaw and 1681502 Alberta Ltd. (the **Respondents**)

**Notice:** The Alberta Securities Commission (the **Commission**) will convene at 2:00 p.m. on Tuesday, April 17, 2018, at Calgary, Alberta, to set a date for hearing regarding the allegations in this Notice (the **Set Date**). 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 (the *Act*).

**Location:** Alberta Securities Commission, 5<sup>th</sup> Floor, 250 – 5 Street SW, Calgary, Alberta.

**Procedure:**

1. You may obtain disclosure and particulars of the allegations in this Notice from Peter Verschoote, c/o Alberta Securities Commission, 600, 250 - 5 Street SW, Calgary, Alberta, T2P 0R4, telephone: 403.297.4967, email: peter.verschoote@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 the Set Date, 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. Logan Keith Shaw (**Shaw**) is an individual who resided in Grande Prairie, Alberta until approximately September 2012. He later moved to Vernon, British Columbia. He was the sole director and guiding mind and, effectively, the largest voting shareholder of 1681502 Alberta Ltd. (**168**) at all relevant times.
2. 168 is a corporation that was registered in Alberta on May 31, 2012. It purported to be in the business of raising money to sell, rent and/or install point-of-sale credit card processing terminals, and to sell advertising, to or for taxicab companies in Mexico (the **Mexican Taxi Business**), or to assist other persons or companies in carrying out the Mexican Taxi Business. Its registered office was located in Edmonton, Alberta at all relevant times.

### *Circumstances*

3. From approximately September 26 to October 12, 2012, 168 raised approximately \$940,000 from six investors, five from Alberta and one from British Columbia.
4. In exchange for their invested capital, each of the investors signed a subscription agreement for common shares of 168. Share certificates were issued to the investors.
5. The shares were securities within the meaning of the *Act*.
6. The Respondents represented to the investors that their invested capital would be used for the Mexican Taxi Business.
7. The majority of the \$940,000 that was raised from the investors was not used for that purpose. Instead, Shaw used the majority of the funds to purchase a house for himself in Vernon, British Columbia, and to repay a personal loan that was also used to purchase the house.
8. Neither of the Respondents told any of the investors that their invested capital would be, or had been, used directly or indirectly to purchase Shaw's house in Vernon.
9. The Respondents engaged in the activities summarized above with the intent to deceive the investors about the purpose for which their invested capital would be, or had been, used.
10. Shaw, as the sole director and guiding mind of 168 at all relevant times, authorized, permitted or acquiesced to 168's acts, practices and conduct, as summarized above.

*Breaches*

11. As a result of the above, Staff allege that the Respondents contravened section 93(b) of the *Act* by directly or indirectly engaging or participating in an act, practice or course of conduct relating to securities that they knew or ought to have known may, and did, perpetrate a fraud on investors.

Calgary, Alberta, 16 February, 2018.

) ALBERTA SECURITIES COMMISSION

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) *"Original Signed By"*

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David C. Linder, Q.C.

) Executive Director