



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c.S.5, AS AMENDED**

-AND-

**IN THE MATTER OF
BERYL HENDERSON**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Beryl Henderson (the “Respondent”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated March 30, 2012 (the “Proceeding”) against the Respondent according to the terms and conditions set out below in this agreement (the “Settlement Agreement”). The Respondent agrees to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

PART III – AGREED FACTS

3. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

Overview

4. During the period from September 21, 2004 to October 31, 2006 (the “Relevant Period”), the Respondent and her agent sold at least \$474,000.00 in trust agreements to at least six investors in Ontario.
5. The trust agreements purported to evidence the purchase of shares in Go Sports Entertainment Inc. (“Go Sports”), a Nevada corporation.
6. The Respondent engaged in fraudulent conduct by misleading the investors about the nature of their investment, her investment expertise and background, the expected returns on the investment and the risk level associated with the investment.
7. Each of the trust agreements is a security as defined in clauses (g) and (n) of subsection 1(1) of the Act.
8. The Respondent is an Ontario resident.
9. The Respondent has never been registered to trade in securities in Ontario.
10. Go Sports was not a reporting issuer during the Relevant Period. No preliminary prospectus or prospectus was filed, nor were receipts issued by the Director during the Relevant Period.

The Fraudulent Scheme

11. During the Relevant Period, the Respondent and her agent solicited investors and sold them trust agreements.
12. Each of the trust agreements stated that the shares referred to therein initially would be purchased in the name of the Respondent or in the name of the agent, and that once the share certificates had been issued and received by the Respondent or the agent, the shares referred to in the trust agreements would be transferred to an account in the name of the investor. None of the investors ever received any shares.
13. The Respondent represented to certain investors that their investments would be used to build hospitals in Dubai or elsewhere, or to fund a goldmine in Dubai, yet their trust agreements referenced shares in Go Sports. There is no evidence that either the Respondent or Go Sports was involved in financing hospitals or goldmines in Dubai or elsewhere.
14. The Respondent represented to certain investors that they would earn a double or triple return on their investment in several months.
15. After the Respondent received payments from certain investors, various lifestyle-related withdrawals from the same bank account were noted shortly after deposits of investor funds were made.
16. As time transpired and investors received no return on their investments, the Respondent provided various explanations for the delay, including a real estate development in the Middle East which had been set back by political unrest.
17. The investors ultimately lost all of the funds they invested with the Respondent.
18. The Respondent directly or indirectly engaged in or participated in an act, practice or course of conduct relating to securities which she knew, or reasonably ought to

have known, perpetrated a fraud on investors, contrary to subsection 126.1(b) of the Act.

The Related Criminal Proceeding

19. By information dated January 2011, pursuant to the *Criminal Code*, R.S.C. 1985, c. C-46 (“Criminal Code”), as amended, the Respondent was charged with 13 counts of fraud over \$5,000 contrary to paragraph 380(1)(a) of the Criminal Code for “by deceit, falsehood, or other fraudulent means” defrauding the named investors of a sum greater than \$5,000 by using their money for a purpose not specified in the trust agreement; and one count of using property with the intent to conceal or convert the property knowing that some or all of it was obtained as a result of the commission of an offence in Canada contrary to subsection 462.31(1) of the Criminal Code.
20. On April 10, 2012, the Respondent entered a plea of guilty to counts one and six on the information, in respect of the sale of trust agreements to four investors (two couples), constituting two counts of fraud over \$5,000 contrary to paragraph 380(1)(a) of the Criminal Code (the “first guilty plea”).
21. Subsequent to the first guilty plea, the Respondent was charged with an additional two counts of fraud over \$5,000 contrary to paragraph 380(1)(a) of the Criminal Code for selling trust agreements to two additional investors.
22. On November 13, 2012, the Respondent entered a plea of guilty to the additional two counts of fraud over \$5,000 contrary to paragraph 380(1)(a) of the Criminal Code (the “second guilty plea”).
23. On May 30, 2013, Madame Justice Lise Maisonneuve of the Ontario Court of Justice (East Region) sentenced the Respondent in respect of both the first and the second guilty pleas. The Respondent was sentenced to 12 months house arrest,

three years probation and, pursuant to section 738 of the Criminal Code, restitution orders for all victims in the amount of \$474,000.00.

STAFF'S POSITION

24. Staff is content to settle with the Respondent without an administrative penalty in these circumstances given that the Respondent is subject to criminal penalties, one of which is to make full restitution in the amount of \$474,000.00 to all victims, and that any administrative penalty may affect her ability to make such restitution.

RESPONDENT'S POSITION

25. Of the \$474,000.00 that Ms. Henderson received from investors, she has provided partial restitution to each investor, totalling \$205,751.73.

PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST

26. By engaging in the conduct described above, the Respondent admits and acknowledges that she contravened Ontario securities law during the Relevant Period in the following ways:
 - (a) The Respondent traded in securities without being registered to trade in securities contrary to paragraph 25(1)(a) of the Act as it existed at the time, and contrary to the public interest;
 - (b) The Respondent conducted in an illegal distribution contrary to subsection 53(1) of the Act, and contrary to the public interest; and
 - (c) The Respondent engaged or participated in acts, practices or a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(b) of the Act and contrary to the public interest.

PART V – TERMS OF SETTLEMENT

27. The Respondent agrees to the terms of settlement listed below.
28. The Commission will make an order pursuant to subsection 127(1) of the Act that:
 - (a) The settlement agreement is approved.
 - (b) Pursuant to clause 2 and 2.1 of subsection 127(1) of the Act, that the acquisition of and trading in any securities by the Respondent shall cease permanently;
 - (c) Pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law shall not apply permanently to the Respondent.
 - (d) Pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act that the Respondent shall immediately resign from any position she holds as a director or officer of any issuer, registrant or investment fund manager.
 - (e) Pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act that the Respondent shall be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager.
 - (f) Pursuant to clause 8.5 of subsection 127(1) of the Act that the Respondent shall be prohibited permanently from becoming or acting as a registrant, an investment fund manager or as a promoter.
29. Notwithstanding the provisions of paragraph 28 herein, once the Respondent has fully satisfied the court order that she make full restitution in the amount of \$474,000.00 to all victims, the Respondent shall be permitted to acquire and trade securities for the account of her registered retirement savings plans as defined in

the *Income Tax Act*, R.S.C. 1985, c.1, as amended (the “*Income Tax Act*”), solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction, (such dealer must in any event be given a copy of this Order) in (a) any “exchange-traded security” or “foreign exchange-traded security” within the meaning of National Instrument 21-101, provided that she does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer.

30. The Respondent undertakes to consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in sub-paragraphs 28 (a) to (g) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VI – STAFF COMMITMENT

31. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law against the Respondents in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 30 below.
32. If the Commission approves this Settlement Agreement and, at any subsequent time the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

33. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for September 18, 2013, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission’s Rules of Practice.
34. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent’s conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
35. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
36. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
37. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission’s jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

38. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule “A” to this Settlement Agreement:

- (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and
- (b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

39. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

40. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

41. A fax copy of any signature will be treated as an original signature.

Dated this 23rd day of August, 2013.

Beryl Henderson
Respondent

Michel Doucet
Witness

Tom Atkinson
Director, Enforcement Branch

Schedule "A"



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19^e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

**IN THE MATTER OF
BERYL HENDERSON**

ORDER

WHEREAS on March 30, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 30, 2012 with respect to Beryl Henderson ("Henderson");

AND WHEREAS in related criminal proceedings, Henderson pled guilty to four counts of fraud over \$5,000 contrary to subsection 380(1)(a) of the *Criminal Code*, R.S.C. 1985, c. C-46, as amended and was sentenced on May 30, 2013 to a conditional sentence of 12 months' house arrest, three years' probation and an order that she make full restitution for all victims in the amount of \$474,000;

AND WHEREAS Henderson has provided partial restitution to investors, totalling \$205,751.73;

AND WHEREAS Henderson entered into a Settlement Agreement dated August 23, 2013, (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Commission issued a Notice of Hearing dated September 13, 2013, setting out that it proposed to consider the Settlement Agreement;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from Henderson through her counsel and from Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

- (a) The settlement agreement is approved.
- (b) Pursuant to clause 2 and 2.1 of subsection 127(1) of the Act, that the acquisition of and trading in any securities by Henderson shall cease permanently, with the exception that once Henderson has fully satisfied the court order that she make full restitution in the amount of \$474,000.00 to all victims, she shall be permitted to acquire and trade securities for the account of her registered retirement savings plans as defined in the *Income Tax Act*, R.S.C. 1985, c.1, as amended (the "*Income Tax Act*"), solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction, (such dealer must in any event be given a copy of this Order) in
 - (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that she does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such

securities, or (b) any security issued by a mutual fund that is a reporting issuer.

- (c) Pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law shall not apply permanently to Henderson.
- (d) Pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act that Henderson shall immediately resign from any position she holds as a director or officer of any issuer, registrant or investment fund manager.
- (e) Pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act that Henderson shall be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager.
- (f) Pursuant to clause 8.5 of subsection 127(1) of the Act that Henderson shall be prohibited permanently from becoming or acting as a registrant, an investment fund manager or as a promoter.

DATED at Toronto, Ontario this 18th day of September , 2013.

James E. A. Turner

James E. A. Turner