

ENFORCEMENT SUMMARY

Re: Worldwide Golf Resources, Inc.

Charges under The Securities Act

Charges:

Two Counts:

Count 1: Sale of securities without registration.

Count 2: Sale of securities without prospectus.

Sentence:

Fine of \$5,000.00 on each count for a total fine of \$10,000.00

Summary

Between January 1st, 1997 and April 30th, 1997 Worldwide Golf Resources, Inc. ("Worldwide") sold securities of its own issue to 30 Manitoba residents for a total consideration of \$546,000.00 U.S. The sales were made without Worldwide being registered to sell securities and without having filed and obtained a receipt for prospectus qualifying the sale of the securities. Worldwide Golf also did not avail itself any of the exemptions available from the registration and prospectus requirements of the Act.

In its reasons the Court noted that there were no allegations of fraud in the raising of money but simply the failure of the corporate accused to comply with the registration and prospectus requirements of the Act. There was no specific evidence of financial losses as a result of the non-compliance nor was there any evidence of request for recovery of money though this may come in the future as a result of the guilty pleas being entered. The Court did not accept that there was no victim in this instance and noted that the purpose of the regulatory scheme is to control the market. There is a victim if the system of regulation is not complied with, which is the marketplace. Worldwide did not comply with the requirements of the regulatory scheme. Worldwide operates in the United States, is of some size, has assets in Manitoba and conducts business here. While the courts do not intend to discourage business, the courts must encourage businesses to comply with the requirements of securities and corporate law and must make an example of those corporations which do not comply. The Court noted the recommendations of the fine made by the counsel for the accused and by counsel for staff and noted that one of the salesmen involved, Mr. Chomichuk, had plead guilty and was fined \$10,000.00 for his actions. In this instance the Court was not prepared to assess a higher fine than that assessed against Mr. Chomichuk and awarded a fine of \$10,000.00 to be divided \$5,000.00 on each count and payable immediately.