

ENFORCEMENT SUMMARY

In the Matter of *The Securities Act* and in the Matter of John Augustus ISHMAEL (“ISHMAEL”)

Charges:

After trial in the Provincial Court of Manitoba, the Honourable Judge Moar found ISHMAEL guilty of twenty-two (22) counts of authorizing, permitting, or acquiescing in offences of FUTRONICS INC. (“FUTRONICS”) as an officer contrary to s.136(3) of *The Securities Act* of Manitoba (“Act”), two (2) counts of trading without registration contrary to s.6(1) of the Act, and two (2) counts of trading without prospectus contrary to s.37(1), totalling 26 offences under the Act.

Summary:

FUTRONICS was incorporated in Manitoba on December 23, 1994. At all material times of the offences, ISHMAEL was an officer of FUTRONICS. At all material times, neither ISHMAEL nor FUTRONICS were registered to trade in securities under the Act. No prospectus had been filed. FUTRONICS lured in people with locked-in investments who were in need of accessing their funds for cash. Investors were generally found as a result of newspaper advertisements. The investment operated such that an investor’s original locked-in holdings were swapped for FUTRONICS shares with the cash from the original investments generally being forwarded to FUTRONICS at least temporarily before the bulk of the monies were then forwarded to SPEECH MALL.COM INC. (“SPEECHMALL”). SPEECHMALL then loaned back to the investor 60 – 70% of the amount invested in FUTRONICS. SPEECHMALL was a company incorporated in Ontario on April 16, 1999. ISHMAEL was a director and officer of SPEECHMALL.

Eight people invested in FUTRONICS. A further six potential investors had been solicited. Eleven transactions were completed. The transactions occurred either with the involvement of ISHMAEL or with his direct supervision. Investors were named nominally as officers of FUTRONICS as part of a ruse to keep the transactions from being detected by the Securities Commission. Over \$446,000 was collected. Losses to the investors totalled over \$160,000.

Sentence:

On September 16, 2010, the Honourable Judge Moar sentenced ISHMAEL to a period of incarceration of twelve (12) months less double-credit for time served in custody for a total of ten (10) months going forward. Costs and surcharges waived. No probation order was ordered.

Additional Information:

ISHMAEL has filed a Notice of Appeal in the Court of Queen’s Bench of Manitoba appealing his conviction.

The Manitoba Securities Commission
September 23, 2010.