

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: JOHN WINSTON WORLEY

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

A. STATEMENT OF FACTS

1. John Winston Worley ("Worley") was first registered as a salesman under The Securities Act (the "Act") on April 16, 1974.

2. From April 16, 1974 to present, Worley has been registered as a salesperson under the Act as follows:

- (a) April 16, 1974 to February 10, 1975 with Investors Syndicate;
- (b) February 28, 1975 to April 14, 1976 with Investors Syndicate;
- (c) August 5, 1980 to March 4, 1985 with Investors Syndicate;
- (d) March 7, 1985 to February 2, 1988 with Pro-Fund Distributors Ltd.;
- (e) February 2, 1988 to June 19, 1995 with W.G. Knight and Associates (Western Capital Management Limited) at which time Worley's registration was suspended for cause;
- (f) August 19, 1995 to September 8, 1998 with W.G. Knight and Associates (Western Capital Management Limited).

3. Worley has not been registered under the Act since September 8, 1998.

4. On October 15, 2001, Worley entered guilty plea in The Provincial Court of Manitoba to two counts of fraud over \$5,000.00 contrary to Section 380(1)(a) of the Criminal Code and one count of criminal breach of trust contrary to Section 336 of the Criminal Code.

4. The Charges before the Court to which Worley pled guilty were as follows:

a) On or between the 15th day of July, 1988 and the 18th day of May, 1996, both dates inclusive, at or near the City of Brandon in the Province of Manitoba, did by deceit, falsehood or other fraudulent means defraud John Edwin ROSS and Winifred ROSS of monies of a value exceeding Five Thousand Dollars (\$5,000.00);

Contrary to Section 380(1)(a) of the Criminal Code.

b) On or between the 15th day of July, 1988 and the 15th day of August, 1998, both dates inclusive, at or near the City of Brandon in the Province of Manitoba, while acting in a fiduciary duty for John Edward ROSS, Winifred ROSS and Eleanor BURTON did commit a criminal breach of trust.

Contrary to Section 336 of the Criminal Code.

c) On or between the 15th day of November, 1996 and the 15th day of August, 1998, both dates inclusive, at or near the City of Brandon in the Province of Manitoba, did by deceit, falsehood or other fraudulent means defraud Eleanor Bernice BURTON of monies of a value exceeding Five Thousand Dollars (\$5,000.00).

Contary to Section 380(1)(a) of the Criminal Code.

6. On January 14, 2002, Judge R. Thompson of the Provincial Court of Manitoba sentenced Worley to terms of imprisonment of four years on each of the counts to be served concurrently with each other. Judge Thompson also made a Restitution Order directing Worley to pay restitution in the amount of \$329,979.00, payable to Winnifred Ross to be paid forthwith. Judge Thompson also made a Restitution Order that Worley pay Eleanor Bernice Burton the sum of \$529,455.00 payable forthwith.

B. ALLEGATIONS

1. Staff of the Commission allege that due to these allegations, Worley should not be entitled to use any of the exemptions set out in the Act and should not be entitled to participate in the exempt markets in Manitoba in the future.

2. Such further and other matters as counsel may advise and the Commission may permit.

DATED at Winnipeg, Manitoba this 24th day of April, 2003.

Director, Legal and Enforcement

TO: JOHN WINSTON WORLEY