



IN THE MATTER OF:                    THE SECURITIES ACT

-and-

IN THE MATTER OF:                    EVERETT CONRAD

**STATEMENT OF ALLEGATIONS OF STAFF OF THE  
MANITOBA SECURITIES COMMISSION**

**STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, AMONG  
OTHER THINGS, THAT:**

**A.     STATEMENT OF FACTS**

1.     Everett Conrad ("CONRAD") is not now and never has been registered to trade in securities under *The Securities Act* of Manitoba ("Act").
2.     On November 24, 2005, charges were laid against CONRAD in the Provincial Court of Manitoba ("Court") consisting of 28 counts for offences contrary to section 136(1)(c) of the Act.
3.     On January 18, 2007, guilty pleas were entered in Court by CONRAD to 24 of the above referred to counts, following which the remaining four counts were stayed.
4.     The counts to which CONRAD pled guilty consisted of 14 counts of trading without registration contrary to section 6(1) of the Act and 10 counts of trading without prospectus contrary to section 37(1) of the Act as set out below:

**COUNT 1**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 28<sup>th</sup> day of February, 2002, both dates inclusive, at or near the Town of Warren, in the Province of Manitoba, did trade in securities to Chris Riddell, to wit: shares of 3948731 Canada Inc. for consideration of \$5,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 2**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 28<sup>th</sup> day of February, 2002, both dates inclusive, at or near the Town of Warren, in the Province of Manitoba, did trade in securities to Helen Riddell, to wit: shares of 3948731 Canada Inc. for consideration of \$5,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 3**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 31<sup>st</sup> day of August, 2002, both dates inclusive, at or near the Town of Warren, in the Province of Manitoba, did trade in securities to Chris Riddell, to wit: shares of ECO AGE METALS & MINERALS INC. for consideration of \$45,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 4**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 31<sup>st</sup> day of March, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to Jason Hildebrand, to wit: shares of 3948731 Canada Inc. for consideration of \$10,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 5**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 31<sup>st</sup> day of March, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to Jason Boyd, to wit: shares of 3948731 Canada Inc. for consideration of \$5,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 6**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 28<sup>th</sup> day of February, 2002, both dates inclusive, at or near the City of Selkirk, in the Province of Manitoba, did trade in securities to Randy Saluk, to wit: shares of 3948731 Canada Inc. for consideration of \$5,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 7**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 28<sup>th</sup> day of February, 2002, both dates inclusive, at or near the City of Selkirk, in the Province of Manitoba, did trade in securities to Eleanor Saluk, to wit: shares of 3948731 Canada Inc. for consideration of \$5,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 8**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of March, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to James Bially, to wit: shares of 3948731 Canada Inc. for consideration of \$10,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 9**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of August, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to Henry and Helen Bially, to wit: shares of ECO AGE METALS & MINERALS INC. for consideration of \$2,500.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 10**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of March, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to Fern Kostelnick, to wit: shares of 3948731 Canada Inc. for consideration of \$10,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 11**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of December, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to Valerie Kostelnick, to wit: shares of 3948731 Canada Inc. for consideration of \$5,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 12**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of December, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to Fern Kostelnick, to wit: shares of 3948731 Canada Inc. for consideration of \$10,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 13**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of December, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to Fern Kostelnick, to wit: 38,400 shares of 3948731 Canada Inc. for consideration of approximately \$28,800.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 14**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of December, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities to Valerie Kostelnick, to wit: 7,100 shares of 3948731 Canada Inc. for consideration of \$5,000.00 while not registered under The Securities Act, contrary to Section 6(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 15**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 28<sup>th</sup> day of February, 2002, both dates inclusive, at or near the Town of Warren, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of 3948731 Canada Inc. to Chris Riddell for consideration of \$5,000.00 contrary to

Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 16**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 28<sup>th</sup> day of February, 2002, both dates inclusive, at or near the Town of Warren, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of 3948731 Canada Inc. to Helen Riddell for consideration of \$5,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 17**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 31<sup>st</sup> day of August, 2002, both dates inclusive, at or near the Town of Warren, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of ECO AGE METALS & MINERALS INC. to Chris Riddell for consideration of \$45,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 18**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 31<sup>st</sup> day of March, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of 3948731 Canada Inc. to Jason Hildebrand for consideration of \$10,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 19**

EVERETT CONRAD, between the 1<sup>st</sup> day of December, 2001 and the 31<sup>st</sup> day of March, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of 3948731 Canada Inc. to Jason Boyd for consideration of \$5,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 20**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 28<sup>th</sup> day of February, 2002, both dates inclusive, at or near the City of Selkirk, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of 3948731 Canada Inc. to Randy Saluk for consideration of \$5,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 21**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 28<sup>th</sup> day of February, 2002, both dates inclusive, at or near the City of Selkirk, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public,

before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of 3948731 Canada Inc. to Eleanor Saluk for consideration of \$5,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 22**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of March, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of 3948731 Canada Inc. to James Bially for consideration of \$10,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 23**

EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of August, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of ECO AGE METALS & MINERALS INC. to Henry and Helen Bially for consideration of \$2,500.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

**COUNT 24**


EVERETT CONRAD, between the 1<sup>st</sup> day of January, 2002 and the 31<sup>st</sup> day of March, 2002, both dates inclusive, at or near the City of Winnipeg, in the Province of Manitoba, did trade in securities in the course of a primary distribution to the public, before a receipt for both a preliminary prospectus and a prospectus had been obtained from the Director of The Manitoba Securities Commission, to wit: shares of 3948731 Canada Inc. to Fern Kostelnick for consideration of \$10,000.00 contrary to Section 37(1) of The Securities Act, and did thereby commit an offence pursuant to Section 136(1)(c) of The Securities Act.

5. On April 4, 2007, the <sup>Doc. 11</sup> court accepted a joint recommendation as to sentence and imposed a sentence upon CONRAD of a period of incarceration of six months, followed by a supervised probation order for 12 months with conditions including restitution in the amount of \$35,000.00 to be paid within six months of April 4, 2007.
6. None of the above referred to restitution has been paid by CONRAD.
7. The Director, Legal and Enforcement ("Director") of the Commission has received applications for claims for compensation for financial loss. The Director requests that the Commission order financial loss compensation in amounts to be determined at or prior to the hearing.

**B. ALLEGATIONS**

1. Staff of the Commission allege that due to these allegations, it is in the public interest that pursuant to section 148 of the Act CONRAD be cease traded, pursuant to subsection 19(5) of the Act CONRAD not be entitled to use any of the exemptions set out in the Act and not be entitled to participate in the exempt markets in Manitoba in the future, and pursuant to section 148.2 of the Act CONRAD be ordered to pay compensation for financial loss.
2. Such further and other matters as counsel may advise and the Commission may permit.

**DATED** at Winnipeg, Manitoba this 9<sup>TH</sup> day of October, 2008.

  
**Director, Legal and Enforcement**

**TO: EVERETT CONRAD**