

IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, C. S-42.2

AND

IN THE MATTER OF
ROLLS RACE GAMES INC.,
KEVIN ANDERSON

AND

WILLIAM BRADLEY FORD

D E C I S I O N

Hearing Held June 14, 1991

Before: Marcel de la Gorgendiere, Q.C., Chairman
Herbert Dow, Vice Chairman
Morley Meiklejohn, Commission member

Appearances: James Hall, representing Commission staff

Decision dated July 30, 1991

DECISION

The essence of this Hearing was to decide whether it was in the public interest to order the permanent cease trade and removal of exemptions of Rolls Race Games Inc., Kevin Anderson and William Bradley Ford as a result of certain conduct constituting trading in securities within the meaning of The Securities Act, 1988, S.S. 1988, c. S-42.2 (the "Act"). The facts indicated that the corporate respondent had not received a receipt for a prospectus for the securities traded and individuals participating in the trading had not been registered to sell securities.

The facts stated in the Notice of Hearing were substantiated in evidence presented to the Commission at the Hearing. They established, the sale of securities of Rolls Race Games Inc., that the securities had not been subject to a prospectus filing, that the trading was done by unregistered individuals, and that as a result "investments" were made by Saskatchewan investors totalling \$31,165.00 including \$2,833.00 by William Bradley Ford, one of the respondents.

There are two aspects to this Hearing. The corporate respondent, Rolls Race Games Inc. and Kevin Anderson prior to the Hearing entered into an agreement with the Director of the Commission consenting to a permanent cease trade and a waiver of rights to a Hearing. Kevin Anderson, the principal promoter and originator of the Rolls Race scheme, agreed to permanently cease trading in any and all securities or commodities futures from the date of the order and to an order removing any exemptions that he may have pursuant to the Act for the rest of his life. The Commission has no doubts that this agreement should be confirmed by an order of the Commission as the facts fully justify the severest penalty that the Commission can administer given the powers that it has under the Act and an order to this effect has been executed by the Commission.

William Bradley Ford appeared in person along with a number of witnesses most of whom were friends and acquaintances of his and all of whom he had introduced to the Rolls Race Games "investment". There was no conflict of evidence between Mr. Ford and the other witnesses. Mr. Ford having been sold on the potential of a certain game devised by Mr. Anderson advocated investment in the company organized by Mr. Anderson for the purpose of commercial sales of the games. As one might expect nothing transpired towards gainful progress for Rolls Race Games Inc. after parties had invested in it. Mr. Anderson was cease traded in the Province of Alberta on July 13, 1990 and no investor has received any return to the knowledge of any of the witnesses.

The Commission accepts that Mr. Ford was convinced that the investment was worthwhile and invested his own funds and sold the

investment without payment of any commission or reward and only from the belief that he thought it was a worthwhile investment. He had no experience in investing. His sales method was to play the game with prospective friends and ask if they were interested in investing. None of the witnesses stated that they felt that they were under any pressure on the part of Mr. Ford. Clearly the circumstances involving Mr. Ford are completely different from that of Mr. Anderson. The question considered by the Commission was not whether Mr. Ford had traded in the securities of Rolls Race Games Inc. contrary to the Act which he clearly had, as trading includes an indirect solicitation or conduct in furtherance of a sale. It was rather what was an appropriate response by the Commission to Mr. Ford's conduct. The Commission's reasoning process was delivered verbally to the respondent, Mr. Ford and the witnesses who were investors on the day of the Hearing, and it is not to be repeated here in full. However, it may be useful for the public to know why the Commission responded as it did to the above question concerning Mr. Ford.

The Commission declined to make any order removing trading or exemption rights from Mr. Ford because he and the other investors who gave evidence clearly established that Mr. Ford had no intention to profit from involving others in the investment, no understanding of what he was getting into or the harm he would cause and no knowledge of the requirements of securities law. He had sought some legal advice for free from a friend who had apparently not pointed out any securities implications and had only commented on a copyright certificate. Usually the Commission is faced with individuals carrying out trading for commissions or to receive all the funds directly. There was no such evidence in this case. His conduct was carried out without any deliberate intention to pull the wool over his neighbours' eyes to profit himself. We are confident he will never do this again. As he himself stated:

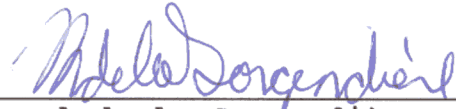
Mr. Ford:

"Well, I just think I -- I've learned a lot since this all started to happen. And some of your education will probably come out from us now to the public, because we will know about that stuff, understand it a little better and maybe I could help somebody someday not get into this situation just by sending them to the right place."

In such unique circumstances the Commission finds there would be nothing further that could be gained for the benefit of protecting the public by making any order within the power of the Commission

and it therefore declines to do so against Mr. William Bradley Ford.

Dated at the City of Regina, in the Province of Saskatchewan, this 30th day of July, 1991.



Marcel de la Gorgendière, Q.C.
Chairman