



**In the Matter of**  
*The Securities Act, 1988, S.S. 1988, C. S-42.2*

**and**

**In the Matter of**  
**Gregory Todd Whiteside**  
**Megan Whiteside**  
**(the Respondents)**

**STATEMENT OF ALLEGATIONS**  
**OF STAFF OF THE FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF**  
**SASKATCHEWAN**

To: **Gregory Todd Whiteside**  
**Megan Whiteside**

Staff of the Financial and Consumer Affairs Authority of Saskatchewan (Staff of FCAA) make the following allegations:

**The Respondent**

1. Gregory Todd Whiteside (Whiteside):
  - (a) is a resident of Canwood, Saskatchewan; and
  - (b) is a director in Worldwide Capital Group Inc. (Worldwide), an operating mind in 101140161 Saskatchewan Ltd (0161 Sask) and a secretary in 101115596 (5596 Sask).
2. Megan Whiteside:
  - (a) is a resident of Canwood, Saskatchewan; and
  - (b) is a director and shareholder in Worldwide, president, secretary, treasurer and director in 0161 Sask, and president, treasurer, director and shareholder in 5596 Sask.

**Related Entities**

3. Worldwide:
  - (a) was incorporated under the laws of the Province of Saskatchewan on March 5, 2007 as Whiteside Capital Group Inc. (Whiteside Inc.). On January 30, 2008, Whiteside Inc. changed its name to Worldwide Capital Group Inc.;
  - (b) had Megan Whiteside as director and shareholder, and Whiteside as director;
  - (c) had its registered office in Saskatoon, Saskatchewan;
  - (d) was described in the corporate registry report as an investment holding company; and
  - (e) was struck from the corporate records in Saskatchewan on August 31, 2009.
4. 0161Sask:
  - (a) was incorporated under the laws of the Province of Saskatchewan on March 3, 2009;
  - (b) had Megan Whiteside as president, secretary, treasurer and director;
  - (c) had its registered office in Saskatoon, Saskatchewan;
  - (d) was a wholly owned subsidiary of Worldwide;
  - (e) was described in the corporate registry report as a holding company; and
  - (f) was struck from the corporate records in Saskatchewan on August 31, 2010.
5. 5596 Sask:
  - (a) was incorporated under the laws of the Province of Saskatchewan on January 8, 2008;
  - (b) had Megan Whiteside as president, treasurer, director and shareholder, and Whiteside as secretary;
  - (c) had its registered office in Saskatoon, Saskatchewan;
  - (d) was described in the corporate registry report as a holding company; and
  - (e) was struck from the corporate records in Saskatchewan on June 30, 2010.

**Contravention of section 27 of the *The Securities Act, 1988 (the Act)***

6. In early 2008, ██████████ a resident of Saskatoon, Saskatchewan attended a seminar in Saskatoon, Saskatchewan on investment education where Whiteside was the speaker. Sometime after the seminar, ██████████ and his wife, ██████████ had a meeting with Whiteside to discuss investment opportunities.
7. At the meeting, Whiteside informed ██████████ that he would invest their money in stocks and commodities trading to be managed by Whiteside.
8. Whiteside proposed to ██████████ that the investment he would be managing on their behalf would be structured in the form of a loan agreement between ██████████ and 5596 Sask.
9. Based on the meeting and Whiteside's advice, ██████████ decided to invest in securities and exchange contracts under the management of Whiteside.
10. On August 13, 2008, ██████████ executed a loan agreement based on the proposal offered by Whiteside per paragraph 8 above. On the same date, ██████████ deposited the sum of \$950,000 into the account of 5596 Sask at the Affinity Credit Union in Saskatoon, Saskatchewan towards the investment.
11. Whiteside transferred the \$950,000 deposited by ██████████ in the account of 5596 Sask to the trading account of 5596 Sask at the Interactive Brokers Canada Inc. and subsequently invested the funds in securities and exchange contracts.
12. The investment of \$950,000 which was made by ██████████ was lost in securities and exchange contracts trading under Whiteside's management.
13. In early May 2009, ██████████ a resident of Saskatoon, Saskatchewan met Whiteside at a trade show in Saskatoon, Saskatchewan. ██████████ had previously attended an investment education seminar where Whiteside was a presenter. They both discussed investment opportunities which led to other meetings.
14. Whiteside presented investment ideas to ██████████ who indicated an interest in investing with Whiteside. At their meetings, Whiteside stated that:
  - (a) he was about to start his own investment company;
  - (b) he would invest ██████████ money in stocks or commodity trading;
  - (c) that ██████████ investments under his management would earn "way higher returns"; and
  - (d) from his training and experience he previously made a profit of \$250,000 for an unnamed investor.

15. Whiteside proposed to ██████ that the investment he would be managing on his behalf would be structured in the form of a loan agreement between ██████ and 0161 Sask.
16. Based on the advice of Whiteside and his explanation regarding his investment skills, ██████ agreed to invest in securities and exchange contracts under the management of Whiteside. ██████ thereafter executed a loan agreement with 0161 Sask.
17. On June 19, 2009, ██████ deposited the sum of US\$100,000 into the account of 0161 Sask at the Affinity Credit Union in Saskatoon, Saskatchewan towards his investment with Whiteside. Whiteside transferred the funds deposited by ██████ to the trading account of 0161 Sask at the Interactive Brokers Canada Inc. and subsequently invested the funds in securities and exchange contracts.
18. ██████ agreed to make additional investments of US\$5,000 per month for 1 year, without withdrawals. He paid \$5,000 for the months of July, August and September 2009.
19. ██████ made repeated requests for his account statements and other documentation regarding his trading account with Worldwide but did not receive any response from Whiteside. As a result, he stopped making the agreed monthly deposits. At this time, the total sum of his investment was \$115,000.
20. In February and early March 2010, ██████ emailed Whiteside and requested a report on his account balance. On March 8, 2010 Whiteside confirmed that the account balance was US\$13,000.
21. In May 2010, Whiteside emailed ██████ to inform him that his new account balance was US\$2,000.
22. In carrying out the activities outlined in paragraphs 6-21 above, the Respondents engaged in the business of trading and advising in securities and exchange contracts in Saskatchewan.
23. The Respondents have never been registered to trade or advise in securities or exchange contracts in Saskatchewan and they therefore contravened the registration requirements in section 27 of the Act.
24. Based on the above allegations, Staff of FCAA will ask the hearing panel to consider whether it is in the public interest to make any of the following orders against the Respondents:
  - (a) pursuant to clause 134(1)(a) of the Act that the exemptions under the Saskatchewan securities laws do not apply to the Respondents;
  - (b) pursuant to clause 134(1)(d) of the Act the Respondents cease trading in any securities or exchange contracts in Saskatchewan;

- (c) pursuant to clause 134(1)(d.1) of the Act that the Respondents cease acquiring securities or exchange contracts in Saskatchewan;
- (d) pursuant to clause 134(1)(e) of the Act, the Respondents cease giving advice regarding securities or exchange contracts in Saskatchewan;
- (e) pursuant to clause 134(1)(h) of the Act, Whiteside and Megan Whiteside:
  - (i) resign any position they hold as director or officer of an issuer, registrant or investment fund manager in Saskatchewan;
  - (ii) be prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager in Saskatchewan; or
  - (iii) not be employed by an issuer, registrant or investment fund manager in Saskatchewan in a capacity that entitles them to trade or give advice respecting securities or exchange contracts;
- (f) pursuant to clause 134(1)(h.1) of the Act, Whiteside and Megan Whiteside be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter in Saskatchewan;
- (g) pursuant to section 135.1 of the Act, the Respondents pay an administrative penalty of \$80,000 to the Financial and Consumer Affairs Authority of Saskatchewan;
- (h) pursuant to section 135.6 of the Act, the Respondents pay financial compensation to each person or company that has suffered a financial loss caused by the Respondents contravention or failure to comply with Saskatchewan securities laws; and
- (i) pursuant to section 161 of the Act, the Respondents pay the costs of or relating to the hearing in this matter.

DATED at Regina, Saskatchewan, on November / , 2012



Dean Murrison  
Director, Securities Division