



Saskatchewan  
Financial Services  
Commission

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

**and**

**In the Matter of**  
**Winnipeg Territory License Inc.**  
**Timothy James Perkins**  
**Johnathon Perkins**

## **Settlement Agreement**

### **Introduction**

1. The Director of the Securities Division (the Director) of Saskatchewan Financial Services Commission (the Commission) issued a Notice of Hearing dated September 22, 2010 (the Notice of Hearing) against Winnipeg Territory License Inc (WTL), Timothy James Perkins (Timothy) and Johnathon Perkins (John) (Collectively referred to as the Respondents) in which it was alleged that the Respondents engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act).
2. A hearing of the matters set out in the Notice of Hearing is to commence on April 11, 2011.
3. This Settlement Agreement has been reached between the Respondents and the Director to dispose of the matters set out in the Notice of Hearing.
4. The Respondents and the Director acknowledge that this Settlement Agreement is subject to the approval of the Commission and, if approved by the Commission, it will be published on the Commission's website.
5. The terms of this Settlement Agreement shall be treated as confidential by the Director and the Respondents until it is signed by them and approved by the Commission except with the consent of the Director and the Respondents or as required by law. The Respondents and the Director agree that paragraph 35 of this Settlement Agreement represents undertakings by the Respondents to the Director under section 55.15 of the Act.

**Facts**

1. Winnipeg Territory License Inc (WTL) was incorporated in British Columbia on January 28, 2008 with a registered office in Vancouver, British Columbia.
2. Timothy is a resident of Abbotsford, British Columbia and was the sole director of WTL.
3. John is a resident of Langley, British Columbia and is Timothy's brother
4. WebNet Converged Wireless Network Ltd. (WebNet) was incorporated in British Columbia with a registered office in Abbotsford, British Columbia.
5. WebNet was a communications company which operated or intended to operate private broadband wireless communications networks in various cities and regions in Canada.
6. WebNet and WTL entered into an agreement dated June 1, 2007 (the WebNet Agreement) whereby WTL agreed to provide capital funds to WebNet in consideration for WebNet making royalty interest payments to WTL based on WebNet's revenues.
7. In late January 2008, at least two seminars were held at hotels in Saskatoon and Regina which were hosted by another individual, DW. These seminars were called "Fast Track to Cash Flow" seminars, the main purpose of which was to educate people on how to build wealth. During the seminars, DW introduced John and Timothy (the Perkins') who told those in attendance about the business of WebNet and its related entities. The Perkins' explained that WebNet was licensing its technology to various cities and regions in order to set up a broadband wireless network which, to that point, existed only in Abbotsford. The Perkins indicated that anyone interested in participating in these licenses could speak with them the following night at another presentation being made by them.
8. As a result of the above, on January 29, 2008, the Perkins' held a presentation in Saskatoon and on January 31, 2008. The Perkins' held a similar presentation in Regina.
9. During their presentations, the Perkins' described to those in attendance that, among other things, WTL had entered into a licensing agreement with WebNet which entitled WTL to receive royalties consisting of a percentage of the profits obtained by WebNet from its intended operation of a private broadband wireless communications network in specific parts of Winnipeg and surrounding areas.
10. Sections 2.3 and 3.3 of NI 45-106 provide exemptions from the registration requirement in section 27 of the Act and from the prospectus requirement in section 58 of the Act for trades of securities to an individual who meets the definition of an accredited investor as described in section 1.1 of NI 45-601. Subsection 1.1(j) provides an exemption for an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000 (the Accredited Investor Exemption).

11. Following the January 29, 2008 presentation in Saskatoon, some Saskatchewan residents namely, AT, GT, JRL JW and DW, subscribed for shares of WTL as further described below.
12. AT and his spouse GT subscribed for 15 shares of WTL for the total acquisition cost of \$15,000. AT and GT signed the required subscription agreement and accredited investor certificate on January 29, 2008 indicating that they are qualified as accredited investors under the Accredited Investor Exemption. They did not qualify for the Accredited Investor Exemption at the time they purchased their shares of WTL.
13. JRL subscribed for 10 shares of WTL for the total acquisition cost of \$10,000. JRL signed the required subscription agreement and accredited investor certificate on January 29, 2008 indicating that he qualified for the Accredited Investor Exemption. JRL did not qualify for the Accredited Investor Exemption at the time he purchased his shares of WTL.
14. JW and his spouse DW subscribed for 10 shares of WTL for the total acquisition cost of \$10,000. JW and DW signed the required subscription agreement and accredited investor certificate on February 2, 2008 indicating that they qualified for the Accredited Investor Exemption. It is unclear if JW and DW are qualified for the Accredited Investor Exemption at the time they purchased their shares of WTL.
15. Following the January 31, 2008 presentation in Regina, one Saskatchewan resident, DN, subscribed for 10 shares of WTL for a total acquisition cost of \$10,000. DN signed a subscription agreement and accredited investor certificate dated January 31, 2008 indicating that he qualified for the Accredited Investor Exemption. It appears that DN did qualify for the Accredited Investor Exemption when he purchased his shares of WTL.
16. The Respondents relied upon the representations made to them by AT, GT, JRL, JW, DW and DN (the Investors) that they each qualified for the Accredited Investor Exemption. However, the Respondents did not make independent attempts to determine whether those representations were true.
17. Part 1.9 of Companion Policy 25-106CP *Prospectus and Registration Exemptions* states that persons distributing or trading securities are responsible for determining when an exemption is available and cannot simply accept a form of subscription agreement that only states that the purchaser is an accredited investor.
18. Section 6.1 of NI 45-106 requires that persons and companies relying on the Accredited Investor Exemption must file with the Commission a report in Form 45-106F1 *Report of Exempt Distribution* forms for all trades in securities that are made in reliance on the Accredited Investor Exemption.
19. The Respondents did not file any reports of trade with the Commission in relation to the trades in the Shares to the Investors as described herein.

20. The Respondents failed to comply with the requirements of the Accredited Investor Exemption when they traded the Shares to the Investors who were not Accredited Investors and when they did not file reports of trade. The trades of Shares to the Investors are therefore not exempt from the registration and prospectus requirements of the Act.
21. None of the Respondents were registered by the Director of the Securities Division of the Commission (the Director) pursuant to section 27 of the Act.
22. The Respondents contravened the registration requirement in section 27 of the Act because they were in the business of trading securities without being registered to sell securities in Saskatchewan.
23. The Director has not issued a receipt for a prospectus for the Shares pursuant to section 58 of the Act.
24. The Respondents contravened the prospectus requirement in section 58 of the Act because they traded Shares of WTL to the Investors without receiving a receipt for a prospectus.
25. Neither the Commission nor the Director has issued an order pursuant to the Act exempting the Respondents or trades in the Shares from the registration and prospectus requirements in the Act.
26. Substantially all of the subscription proceeds paid by the Investors to WTL were subsequently paid by WTL to WebNet pursuant to the terms of the WebNet Agreement. WebNet did not make any royalty payments to WTL and it is now insolvent and out of business. It is therefore unlikely that WTL will ever receive any royalty or other payments from WebNet pursuant to the WebNet Agreement.
27. At the time that WTL entered into the WebNet Agreement, the Respondents believed that WebNet had a viable business opportunity and the Respondents had no reason not to believe that the WebNet Agreement would not result in royalty payments being made to WTL.
28. At the time that the Investors purchased their Shares of WTL, the Respondents continued to believe that WebNet had a viable business opportunity and the Respondents had no reason not to believe that the WebNet Agreement would not result in royalty payments being made to WTL in due course.
29. In May 2008, the Respondents received information concerning WebNet which caused the Respondents substantial concern regarding the business opportunities of WebNet. As a result, the Respondents ceased doing business with WebNet and the Perkins resigned from any positions that they held with WebNet. The Respondents took steps to inform the Investors of the status of their investment and the breakdown of the relationship between WTL and WebNet. The Respondents also took reasonable steps to attempt to recover from WebNet the funds which had been paid to it by WTL pursuant to the terms

of the WebNet Agreement but those efforts have not resulted in any monies being repaid to WTL by WebNet.

30. WebNet was investigated by the British Columbia Securities Commission (BCSC).
31. Gregory Clark Carrington, the President, Chief Executive Officer and Chairman, Board of Directors of WebNet settled the complaint with BCSC which declined to impose a fine of \$100,000 that it considered appropriate in the public interest for the misconduct alleged against Mr. Carrington on grounds that Mr. Carrington has no reasonable prospect of being able to pay the fine.
32. WTL is now insolvent with no assets and no active business.
33. The Perkins are in their mid-20's with limited assets and modest incomes. Neither of them received any funds from WTL as employees or directors of WTL nor did they receive any portion of the funds paid by the Investors to purchase the Shares. The Perkins' have no prior financial or investment experience or training.
34. The Respondents cooperated fully with the Commission by providing responses to the Commission's inquiries.

#### **Undertakings by the Respondents**

35. The Respondents hereby undertakes, agrees and consents, effective the date of execution of this Settlement Agreement:
  - (a) That all of the facts set out at paragraphs 1- 34 above are true;
  - (b) That there are no material facts related to these matters that are not set out in paragraphs 1-34 above;
  - (c) That they did not receive commission or any form of compensation from WebNet;
  - (d) To waive their right to a hearing in this matter scheduled to commence on April 11, 2011 or to any other hearing and/or appeal with respect to this matter;
  - (e) To dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act;
  - (f) To the issuance of an order by the Commission in substantially the form attached hereto as Appendix "A" ordering:
    - (i) Pursuant to section 134(1)(d) of the Act that the Respondents cease trading in securities or exchange contracts for a period of five years;
    - (ii) Pursuant to section 134(1) (d.1) of the Act that the Respondents cease acquiring securities or exchange contracts for a period of five years;

- (iii) Pursuant to section 134(1)(h.1) of the Act that the Respondents be prohibited from becoming registrants under the Act until the later of five years after the date this Settlement Agreement is approved by the Commission or the date that the individual respondents have successfully completed the Canadian Securities Course Exam, Conduct and Practices Handbook Exam and Partners, Directors and Senior Officers Exam;
- (iv) That the respondents pay an administrative penalty of \$1,000 each;

### **Director's Agreement**

- 36. Based on the above facts and undertakings, the Director hereby agrees that the sanctions set out above are the only sanctions the Director will seek to have the Commission impose upon the Respondents with respect to the matters set out in this Settlement Agreement, provided that nothing herein shall prohibit the Director from considering and dealing with any matter not set out in this Settlement Agreement or any new complaint brought to the Director's attention in respect of the Respondents.
- 37. The Director notes that, in most cases, the imposition of financial compensation to victims, additional monetary sanctions and costs would be appropriate for the conduct described herein but the Director is satisfied, upon information provided by the Respondents, that financial compensation, additional monetary sanctions and costs are not feasible in this case

**Execution of Settlement Agreement**

- 38. This Settlement Agreement may be signed in one or more counterparts and together shall constitute a binding agreement.
- 39. A facsimile copy of any signature shall be effective as an original signature.

Dated March 29, 2011

(C.S.)

Winnipeg Territory License Inc.

Per: "Tim Perkins"  
Tim Perkins  
Print name and title of person signing

Dated March 29, 2011

"Bethany Somerville"  
Witness

"Tim Perkins"  
Timothy James Perkins

Dated March 24, 2011

"Nonthachai Porseela"  
Witness

"Jonathon Perkins"  
Johnathon Perkins

Dated April 15, 2011

"Somme Udemgba"  
Witness

"Barbara Shourounis"  
Barbara L. Shourounis  
Director, Securities Division

**Appendix A**

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

**AND**

**In the Matter of**  
**Winnipeg Territory License Inc.**  
**Timothy James Perkins**  
**Johnathon Perkins**

**Order**  
**(Pursuant to Sections 134, 135.1, 135.3, 135.6 and 161 of the Act)**

WHEREAS Winnipeg Territory License Inc.(Winnipeg Territory), Timothy James Perkins (Timothy), Johnathon Perkins (John), (Collectively, the Respondents) and the Director (the Director) of the Securities Division of the Saskatchewan Financial Services Commission (the Commission) have entered into a settlement agreement (the Settlement Agreement) dated , 2011, the original of which is attached hereto as Appendix "A";

AND WHEREAS an application has been received by the Commission from the staff of the Commission for an order (the Order):

1. Pursuant to section 134 of *The Securities Act, 1988, SS 1988, c. S-42.2 (the Act)* that:
  - (a) The Respondents cease trading in any and all securities and exchange contracts for a period of 5 years from the date of the Order;
  - (b) The Respondents cease acquiring in any and all securities and exchange contracts for a period of 5 years from the date of the Order; and
  - (c) The Respondents be prohibited from becoming a registrant under the Act until the later of 5 years after the date of this Order or the date the Individual Respondents have successfully completed the Canadian Securities Course Exam, Conduct and Practices Handbook Exam and Partners, Directors and Senior Officers Exam, whichever is earlier;
  - (d) The Respondents pay an administrative penalty of \$1,000 each;

AND WHEREAS proceedings may be disposed of by the Commission by agreement without a hearing pursuant to section 135.3 of the Act;



AND WHEREAS the Commission has approved the Agreement;

AND WHEREAS the Respondents have waived any right to a hearing or appeal and has consented to the issuance of this Order;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

THE COMMISSION HEREBY ORDERS:

1. Pursuant to section 134 of the Act that:
  - (a) The Respondents cease trading in any and all securities and exchange contracts for a period of five years from the date of this Order;
  - (b) The Respondents cease acquiring in any and all securities and exchange contracts for a period of five years from the date of this Order; and
  - (c) The Respondents are prohibited from becoming registrants under the Act until the later of either five years from the date of this Order or the date that the individual respondents have successfully completed the Canadian Securities Course Exam, the Conduct and Practices Handbook Exam and the Partners, Directors and Senior Officers Exam;
  - (d) The Respondents pay an administrative penalty of \$1,000 each;

DATED at Regina, Saskatchewan, on April           , 2011.

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Commissioner  
Saskatchewan Financial Services Commission

AFFIDAVIT OF EXECUTION

I, Bethany Somerville, of Abbotsford, in the province of British Columbia:

MAKE OATH AND SAY THAT:

1. I was personally present and did see Timothy James Perkins named in the within Settlement Agreement, who is personally known to me to be the person named herein, duly sign and execute the same for the purposes named therein;
2. The same was executed at Abbotsford, in the province of British Columbia, on the 29<sup>th</sup> day of March, 2011 and that I am the subscribing witness thereto;
3. I know the said Timothy James Perkins and he is, in my belief, 18 years of age or more.

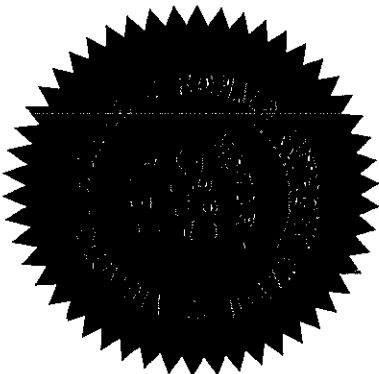
SWORN before me at Abbotsford )  
in the Province of British Columbia this 29<sup>th</sup> )  
day of March, 2011. )

R A Wattie  
A Notary Public in and for the Province of  
British Columbia  
Being a Solicitor

**R.A. Wattie**  
Barrister & Solicitor  
#305 - 2692 Clearbrook Road  
Abbotsford, BC V2T 2Y8  
Tel: 604-850-6640 Fax: 604-850-6616

Bethany Somerville

Bethany Somerville  
Legal Secretary  
#305-2692 Clearbrook Road  
Abbotsford, B.C. V2T 2Y8



AFFIDAVIT OF EXECUTION

I, Sonne Udemgba, of the city of Regina, in the province of Saskatchewan:

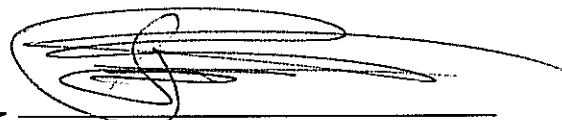
MAKE OATH AND SAY THAT:

1. I was personally present and did see Barbara Shourounis named in the within Settlement Agreement, who is personally known to me to be the person named herein, duly sign and execute the same for the purposes named therein;
2. The same was executed at the city of Regina in the province of Saskatchewan, on the 15<sup>th</sup> day of April , 2011 and that I am the subscribing witness thereto;
3. I know the said Barbara Shourounis and she is, in my belief, 18 years of age or more.

SWORN before me at Regina )  
in the Province of Saskatchewan this 15<sup>th</sup> day of )  
April, 2011. )



A Notary Public in and for the Province of  
Saskatchewan  
Being a Solicitor



Sonne Udemgba




## *Certificate*

I certify the genuine signature of Mr. Johnathon Perkins. I hereby assume no responsibility for the contents of the document(s).



Reg. No./ทะเบียนเลขที่ 3630/2554  
Commission Expires/ทะเบียนหมดอายุ  
Date/วันที่ February 27, 2013

Signature   
(Acting 2, Lt. Nonthachai Porseela)  
Notarial Services Attorney  
24/March/2011