

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

AND

IN THE MATTER OF  
WINNING EDGE MARKETING LTD.,  
LEE PURCELL,  
LEE PURCELL CARRYING ON BUSINESS AS  
WINNING EDGE MARKETING,  
AND  
WINNING EDGE MARKETING

ORDER  
(Sections 134 and 135)

WHEREAS an application has been received by the Saskatchewan Securities Commission (the "Commission") from the staff of the Commission for an order pursuant to:

1. Section 134(1) of The Securities Act, 1988, S.S.1988, c.S-42.2 (the "Act") that all trading by Winning Edge Marketing Ltd. ("WEM"), Winning Edge Marketing, Lee Purcell and/or Lee Purcell carrying on business as Winning Edge Marketing (collectively referred to as the "Respondents"), in securities shall permanently cease;
2. Section 134(1) of the Act that all trading in securities of WEM or Winning Edge Marketing shall permanently cease;
3. Section 135(1) of the Act that the exemptions contained in:
  - (a) sections 38, 39, 81, 82 and 102 of the Act; and,
  - (b) The Securities Regulations, R.R.S., c.S-42.2 Reg 1 (the "Regulations") providing for exemptions from Sections 27, 58 and 71 of the Act;

do not apply to any trade in securities by the Respondents;

AND WHEREAS the Commission convened a hearing pursuant to Section 9 of the Act on May 10, 1989 (the "Hearing") to determine the following allegations set out in a Notice of Hearing dated April 28, 1989 (the "Notice of Hearing"):

1. WEM is a body corporate, incorporated pursuant to the laws of British Columbia with a registered office at P.O. Box 49064, 1703-595 Burrard Street, Vancouver, British Columbia;
2. Lee Purcell is the president of WEM and resides at 5622-16th

Avenue, Delta, British Columbia;

3. WEM carries on business in the City of Regina, in the Province of Saskatchewan;
4. Saskatchewan residents purchase memberships in WEM. Each membership represents an interest in a group of lottery tickets (the "group") at a set price per membership (the "distribution");
5. Each group is comprised of 100 or 200 members per group (the "members") and each member is entitled to a six month or one year membership in WEM;
6. WEM purchases lottery tickets on behalf of each group;
7. Each member is entitled to receive a pro rata share of any winnings for the lottery tickets purchased on behalf of their particular group;
8. Each membership constitutes a security within the meaning of Section 2(ss)(xiv) of the Act;
9. The distribution is not exempt from the requirements of Sections 38, 39, 81, 82 and 102 of the Act;
10. The distribution is not exempt from the requirements of the regulations providing for exemptions from Sections 27, 58 and 71 of the Act;
11. WEM is not registered pursuant to Section 27 of the Act and is in contravention of Section 58 of the Act respecting the requirements for a Prospectus, and Sections 73 and 77 of the Act and Local Policy Statement 1.3 with respect to advertising and sales literature;
12. WEM is not registered to carry on business in Saskatchewan pursuant to The Business corporations Act, R.R.S.1978, c.B-10;
13. The memberships of WEM were Cease Traded by the Manitoba Securities Commission on November 30, 1988;

AND WHEREAS the Respondents did not appear at the Hearing and the Commission proceeded in the absence of the Respondents pursuant to Section 9(15) of the Act on being satisfied that the Respondents were properly served with the Notice of Hearing pursuant to Sections 9(2) and (3) of the Act;

AND WHEREAS the Commission finds that the allegations against the Respondents in the Notice of Hearing have been established to the satisfaction of the commission;

AND WHEREAS the Commission, on the basis of evidence

adduced at the Hearing, finds that the following additional facts have been established to the satisfaction of the Commission:

1. Lee Purcell ("Purcell") is not registered to trade in securities pursuant to Section 27 of the Act, nor is Purcell exempt from such registration;

2. The Respondents have conducted an extensive solicitation and promotional campaign in Saskatchewan, such activity constituting trading in securities, while being in violation of the Act, particularly Sections 27 and 58;

3. The Respondents as part of their marketing scheme of offering group memberships for the purchase of lottery tickets, which memberships the Commission has found to be a security, are charging a minimum administrative fee of \$27.95 per person;

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

THE COMMISSION HEREBY ORDERS pursuant to:

1. Section 134(1) of the Act that all trading by Winning Edge Marketing Ltd., Winning Edge Marketing, Lee Purcell and/or Lee Purcell carrying on business as Winning Edge Marketing in securities shall permanently cease;
2. Section 134(1) of the Act that all trading in securities of Winning Edge Marketing Ltd., or Winning Edge Marketing shall permanently cease;
3. Section 135(1) of the Act that the exemptions contained in:
  - (a) sections 38, 39, 81, 82 and 102 of the Act; and,
  - (b) the regulation providing for exemptions from Sections 27, 58 and 71 of the Act;

do not apply to any trade in securities by Winning Edge Marketing Ltd., Winning Edge Marketing, Lee Purcell and/or Lee Purcell carrying on business as Winning Edge Marketing.

DATED at the City of Regina, in the Province of Saskatchewan this 12th day of May, 1989.



MARCEL de la GORGENDIERE, Q.C.  
CHAIRMAN  
SASKATCHEWAN SECURITIES COMMISSION