

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

AND

IN THE MATTER OF
RODERICK WILLIAM ERNEST WALTERS
COLLETTE AGNES ROSALEE WALTERS

AND

C.R.W. ENTERPRISES LTD.
CARRYING ON BUSINESS AS
PERSONAL ACCOUNTING

AND

CR BUSINESS MANAGEMENT

CEASE TRADE ORDER

(Sections 134 and 135)

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

1. Subsection 134(1) of The Securities Act, 1988, S.S. 1988, c. S-42.2 (the "Act") that Roderick William Ernest Walters ("Walters") and C.R.W. Enterprises Ltd. ("CRW") carrying on business as Personal Accounting and CR Business Management shall cease trading in securities and commodity futures contracts in the Province of Saskatchewan for the remainder of the life of Walters and in perpetuity regarding CRW;
2. Subsection 135(1) of the Act that the exemptions contained in:
 - a. Sections 38, 39, 81, 82 and 102 of the Act;
 - 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; and
 - c. Any decision providing for exemptions from sections 27, 58, 71 or 104 to 109 of the Act;

do not apply to Walters for the remainder of his life and to CRW in perpetuity;

AND WHEREAS Walters, CRW and the Director of the Commission have entered into an Agreement and Undertaking dated November 19, 1991, the original of which is attached as Schedule "A" to this order;

AND WHEREAS Walters and CRW have consented to the issuance of this Order and have waived any right to a hearing;

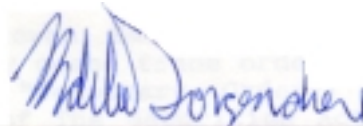
AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

THE COMMISSION HEREBY ORDERS, pursuant to:

1. Subsection 134(1) of the Act that Walters and CRW shall cease trading in securities and commodity futures contracts in the Province of Saskatchewan or with any person resident in the Province of Saskatchewan for the remainder of the life of Walters and in perpetuity regarding CRW from the date of this Order;
2. Subsection 135(1) of the Act that the exemptions contained in:
 - a. Sections 38, 39, 81, 82 and 102 of the Act;
 - b. The Regulations providing for exemptions from sections 27, 58 and 71 of the Act; and
 - c. Any decision providing for exemptions from sections 27, 58, 71 or 104 to 109 of the Act;

do not apply to Walters for the remainder of his life, and do not apply to CRW in perpetuity from the date of this Order;

DATED at the City of Regina, in the Province of Saskatchewan, this 21th day of November, 1991.



Marcel de la Gorgendiere, Q.C.
Chairman

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

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RODERICK WILLIAM ERNEST WALTERS
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AND

C.R.W ENTERPRISES LTD.
CARRYING ON BUSINESS AS
PERSONAL ACCOUNTING

AND

CR BUSINESS MANAGEMENT

AGREEMENT AND UNDERTAKING

The following agreement has been reached between Roderick William Ernest Walters ("R. Walters"), Collette Agnes Rosalee Walters ("C. Walters"), C.R.W. Enterprises Ltd. ("CRW") and the Director of the Saskatchewan Securities Commission (the "Director").

Facts

As a basis for a life-time cessation in the trading of securities and commodity futures contracts and other matters as provided in the Order attached hereto as Schedule "A" to this Agreement, R. Walters, C. Walters and CRW acknowledge and agree as follows:

1. R. Walters and C. Walters moved to Moosomin, Saskatchewan, on or about 1978 from Manitoba and began a business called Personal Accounting Services Limited ("Personal Accounting");
2. One of the functions of Personal Accounting was to receive funds from various investors. Representations were made by R. Walters to investors and potential investors (the "Public") that Personal Accounting and, at a later date, CR Business Management ("CR Business") were deposit brokers/agents and that investors' funds would be utilized for the purchase of guaranteed investment certificates ("GICs"), an instrument guaranteed by Canadian Deposit Insurance Corporation ("CDIC");
3. On or about September, 1985, R. Walters and C. Walters transferred the businesses of Personal Accounting and CR Business to a Saskatchewan corporation, C.R.W. Enterprises

Ltd.("CRW"). CRW was represented to the Public by R. Walters and C. Walters as being a deposit broker/agent wherein funds invested by the Public would be placed in CDIC insured GICS;

4. CRW was incorporated on September 10, 1985 by R. Walters and C. Walters. The share capital consisted of Class A (common) shares and Class B non-participating, non-cumulative, non-voting shares;
5. R. Walters was appointed as president of CRW and continued to direct Personal Accounting and CR Business as divisions of CRW;
6. On August 7, 1987 the articles of incorporation of CRW were amended to delete the reference to Class A and Class B shares and substituted by the following. "1 Class unlimited number". In annual returns filed with the Corporations Branch in 1987 and 1990, R. Walters is shown as a Director and C. Walters as a shareholder of CRW;
7. C. Walters attended to various bookkeeping functions within CRW and its divisions aforesaid;
8. R. Walters also performed bookkeeping functions for CRW and placed and directed the placement of the funds of the Public;
9. When R. Walters received funds from the Public, he provided them with an "investment contract". Initially, the investment contracts included a provision as follows: "All monies held by the Corporation (sic CRW) shall be invested in financial institutions being members of the Canada Deposit Insurance Corporation";
10. In many cases, instead of purchasing the said GICs, R. Walters placed the funds of the Public in the bank account of CRW and used the funds to cover daily operating expenses, including the salaries of \$21,000.00 per annum each of R. Walters and C. Walters;
11. Subsequently, R. Walters directed that the provision in paragraph 9 be deleted from the investment contracts. Notwithstanding the deletion of the said provision, R. Walters and C. Walters acknowledge that the Public continued to believe that funds would be held by CRW in GICs in financial institutions that were members of CDIC and that their deposits would be CDIC insured;
12. On or about December, 1990, R. Walters directed that Class C preferred voting shares ("Class C Shares") be sold in CRW, even though CRW was not authorized by its articles of incorporation to issue Class C Shares. R. Walters advised the Public that for \$10,000.00 they would receive a \$5,000.00

receipt for investment advice ("Investment Receipt") from Moosomin Investment Counsel which could be utilized as a tax deduction and as well 1 Class C Share for \$5,000 with minimum guaranteed dividends for each Class C Share. The Investment Receipt provided thereon the following words: "Fees are deductible for income tax purposes under paragraph 20(1)(bb) of the Income Tax Act";

13. Brian Marsellus of Moosomin, Saskatchewan set up the business of Moosomin Investment Counsel in 1990 at the instigation of R. Walters and, acting as the agent of R. Walters, advised the Public to invest in the Class C Shares of CRW;

R. Walters advised the Public that for investing \$10,000.00 in CRW, their after-tax costs would actually be approximately \$7,500.00 in view of the Investment Receipt. Further, the Class C shareholders were to be paid dividends of not less than \$5,000.00 per share by December 1995, such that the Class C Shares could then be redeemed for \$10,000.00;

R. Walters and C. Walters misrepresented the existence of Class C Shares in CRW and the right to pay dividends thereon;
16. R. Walters had researched the deductibility of investment counselling fees for tax purposes and knew that the Public would not obtain the deduction if a receipt was given to them by CRW or one of its divisions, and therefore, caused the said Moosomin Investment Counsel to be set up at his direction;
17. R. Walters utilized funds that were deposited by one member of the Public to pay back funds due to another member of the Public and also appropriated and converted the funds deposited to the use of R. Walters and/or C. Walters and/or CRW as set forth in paragraph 10;
18. CRW declared bankruptcy on July 26, 1991 and filed in its statement of affairs information regarding unsecured creditors wherein the total unsecured claims of the Public who had not been repaid their investments or received Class C Shares amounted to \$484,398.00. For the purposes of the statement of affairs R. Walters declared he owed \$5,000.00 to each of the Class C subscribers save for Melvin Bowman whom he declared he owed \$10,000.00;
19. Six members of the Public as set forth in Schedule I are owed a total of \$70,000.00 as each said member of the Public invested \$10,000.00 in CRW in return for one non-existent Class C Share;
20. Members of the Public who believed they purchased GICs which were CDIC insured and, whose funds were instead misappropriated and wrongfully converted to R. Walters, C.

Walters and/or CRW are set forth in Schedule II attached and have not been repaid the funds owing to them as set forth in Schedule II;

21. During the relevant time periods CRW, Personal Accounting, CR Business, R. Walters or C. Walters:
- a) were never registered as required pursuant to section 6 of The Securities Act, R.S.S. 1978, c. s-42 (the "Old Act") and section 27 of The Securities Act, 1988, S.S. 1988, c. S-42.2 (the "Act") to trade in securities or act as advisers; or
 - b) never filed a prospectus or received a receipt for a prospectus with respect to securities of CRW, Personal Accounting or CR Business, as required pursuant to section 42 of the Old Act and section 58 of the Act.

R. Walters Undertakings

R. Walters hereby undertakes, agrees and consents, effective the date of his execution of this Agreement, as follows:

1. To cease trading for the remainder of his life in any and all securities and commodity futures contracts in the Province of Saskatchewan or with any resident of the Province of Saskatchewan by any means including, but not limited to, by means of any company, limited partnership, association or other entity of which he is a director, officer, promoter or control person as defined by the Act;
2. To not become, act, or continue to act as a director, officer, or promoter of a reporting issuer as defined by the Act for the remainder of his life; and
3. To the issuance of the Order of the Commission in substantially the form set out in Schedule "A" to this Agreement, and to hereby waive any right to a hearing and/or appeal with respect to this matter;

C. Walters Undertakings

C. Walters hereby undertakes, agrees and consents, effective the date of her execution of this Agreement, as follows:

1. To cease trading for the remainder of her life in any and all securities and commodity futures contracts in the Province of Saskatchewan or with any resident of the Province of Saskatchewan by any means including, but not limited to, by means of any company, limited partnership, association or

other entity of which she is a director, officer, promoter or control person as defined by the Act;

2. To not become, act, or continue to act as a director, officer, or promoter of a reporting issuer as defined by the Act for the remainder of her life; and
3. To the issuance of the Order of the Commission in substantially the form set out in Schedule "A" to this Agreement, and to hereby waive any right to a hearing and/or appeal with respect to this matter;

CRW's Undertakings

CRW hereby undertakes, agrees and consents, effective the date of its execution of this Agreement, as follows:

1. To cease trading in perpetuity in any and all securities and commodity futures contracts in the Province of Saskatchewan or with any resident of the Province of Saskatchewan by any means including, but not limited to, by means of any company, limited partnership, association or other entity of which it is a promoter or control person as defined by the Act;
2. To not become, act, or continue to act as a director or promoter of a reporting issuer as defined by the Act in perpetuity; and
3. To the issuance of the Order of the Commission in substantially the form set out in Schedule "A" to this Agreement, and to hereby waive any right to a hearing and/or appeal with respect to this matter;

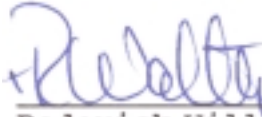
Director's Agreement

The Director of the Commission (the "Director") hereby agrees that the Order set out in Schedule A is the only Order that the Director will seek to have the Commission issue regarding R. Walters, C. Walters and CRW pursuant to the Act with respect to the matters set out in this Agreement provided however that nothing herein shall prohibit the Director from considering and dealing with any matter not set out in this Agreement or any new complaint brought to the Director's attention in respect of Walters.

IN WITNESS WHEREOF R. Walters, C. Walters, CRW and the Director have executed this Agreement and Undertaking on this 19 day of November, 1991.

SIGNED, SEALED AND DELIVERED
in the presence of:






Roderick William Ernest Walters

Collette Agnes Rosalee Walters
CRW Enterprise Ltd.
per "R. Walters (President)" c/s

SIGNED SEALED AND DELIVERED
in the Presence of:


_____)



Barbara L. Shourounis

Director

<u>Class C Share Subscribers</u>	<u>Schedule I</u> <u>Amount Paid</u>
1. Hilda Ingjaldson (Moosomin, Saskatchewan)	\$10,000.00
2. Melvin Bowman (Whitewood, Saskatchewan)	\$20,000.00
3. Donald Strong (Rocanville, Saskatchewan)	\$10,000.00
4. Grant Reid (Moosomin, Saskatchewan)	\$10,000.00
5. George Tosh (Langbank, Saskatchewan)	\$10,000.00
6. Margaret Marson (Moosomin, Saskatchewan)	<u>\$10,000.00</u>
TOTAL	\$70,000.00

Schedule II

1. **Gerald Blunt** (Langbank, Saskatchewan) - \$6,654.04 plus 11% interest per annum from December 19, 1990;
2. **Allen Dennison** (Box 117, Newdale, Manitoba) - \$61,327.50 plus 11% interest per annum from November 30, 1990;
3. **Allen Kolman** (Whitewood, Saskatchewan) - \$15,000.00 plus 11.25% interest per annum from December 12, 1990;
4. **Godfrey and Christine Reynolds** (Box 30, Langbank, Saskatchewan) - \$6,889.98 plus 11.5% interest per annum from September 19, 1990;
5. **Alfred and Evelyn Bateman** (Moosomin, Saskatchewan) - \$16,018.47 plus 10.5% interest per annum from January 6, 1990;
6. **Doris Whelpton** (Box 683, Moosomin, Saskatchewan) - \$5,883.75 plus 10.34% interest per annum from November 6, 1988;
7. **Gordon Whelpton** (Box 683, Moosomin, Saskatchewan) - \$57,628.25 plus 12.25% interest per annum from September 5, 1990;
8. **Donald Strong and/or Phyllis Strong** (Box 247, Rocanville, Saskatchewan) - \$66,500.00 plus 11.5% interest per annum from October 17, 1990;
9. **Lewis and Evelyn Craig** (Box 1162, Moosomin, Saskatchewan) - \$85,000.00 plus 10.75% interest per annum from January 9, 1991;
10. **William and Edith Ashworth** (Box 911, Moosomin, Saskatchewan) - \$121,000.00 plus 11% interest per annum from January 11, 1991;
11. **Douglas and Anita Cudmore** (Box 247, Wawota, Saskatchewan) - \$7,890.00 plus 8% interest per annum from November 30, 1990 being the "prescribed" interest rate;

TOTAL PRINCIPAL AMOUNT: \$449,823.99

SCHEDULE "A"

IN THE MATTER OF
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COLLETTE AGNES ROSALEE WALTERS

AND

C.R.W. ENTERPRISES LTD.
CARRYING ON BUSINESS AS
PERSONAL ACCOUNTING

AND

CR BUSINESS MANAGEMENT

CEASE TRADE 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. Subsection 134(1) of The Securities Act, 1988, S.S. 1988, c. S-42.2 (the "Act") that Roderick William Ernest Walters ("R. Walters"), Collette Agnes Rosalee Walters ("C. Walters") and C.R.W. Enterprises Ltd. ("CRW") carrying on business as Personal Accounting and CR Business Management shall cease trading in securities and commodity futures contracts in the Province of Saskatchewan for the remainder of the life of R. Walters and C. Walters and in perpetuity regarding CRW;
2. Subsection 135(1) of the Act that the exemptions contained in:
 - a. Sections 38, 39, 81, 82 and 102 of the Act;
 - 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; and
 - c. Any decision providing for exemptions from sections 27, 58, 71 or 104 to 109 of the Act;

do not apply to R. Walters and C. Walters for the remainder of their respective lives and to CRW in perpetuity;

AND WHEREAS R. Walters, C. Walters, CRW and the Director of the Commission have entered into an Agreement and Undertaking dated _____ 1991, the original of which is attached as Schedule "A" to this order;

AND WHEREAS R. Walters, C. Walters and CRW have consented to the issuance of this Order and have waived any right to a hearing;

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. Subsection 134(1) of the Act that R. Walters, C. Walters and CRW shall cease trading in securities and commodity futures contracts in the Province of Saskatchewan or with any person resident in the Province of Saskatchewan for the remainder of the respective lives of R. Walters and C. Walters and in perpetuity regarding CRW from the date of this Order;
2. Subsection 135(1) of the Act that the exemptions contained in:
 - a. Sections 38, 39, 81, 82 and 102 of the Act;
 - b. The Regulations providing for exemptions from sections 27, 58 and 71 of the Act; and
 - c. Any decision providing for exemptions from sections 27, 58, 71 or 104 to 109 of the Act;

do not apply to R. Walters, C. Walters for the remainder of their respective lives, and do not apply to CRW in perpetuity from the date of this Order;

DATED at the City of Regina, in the Province of Saskatchewan, this day of October, 1991.

Marcel de la Gorgendiere, Q.C.
Chairman