

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

**and**

**In the Matter of  
C2 Ventures Inc.  
Monte Dobson  
(Collectively referred to as the Respondents)**

**ORDER**

WHEREAS an Agreed Statement of Facts dated July 31, 2013 and signed by the Respondents was filed with the Financial and Consumer Affairs Authority of Saskatchewan (the Authority), a copy of which is attached hereto as Appendix 'A';

AND WHEREAS staff of the Authority and the Respondents have consented to the issuance of an order that:

1. Pursuant to clause 134(1)(a) of *The Securities Act, 1988* (the Act), the exemptions under Saskatchewan securities laws do not apply to the Respondents for a period of five years from the date of this Order;
2. Pursuant to clause 134(1)(d) of the Act, the Respondents cease trading in securities or exchange contracts in Saskatchewan for a period of five years from the date of this Order;
3. Pursuant to clause 134(1)(d.1) of the Act, the Respondents cease acquiring securities or exchange contracts in Saskatchewan for Saskatchewan residents for a period of five years from the date of this Order;
4. Pursuant to clause 134(1)(e) of the Act, the Respondents cease giving advice to Saskatchewan residents regarding securities for a period of five years from the date of this Order;

5. Pursuant to clause 134(1)(h)(i) of the Act, Monte Dobson (Dobson) resign any position that he holds as a director or officer of an issuer, a registrant or an investment fund manager;
6. Pursuant to clause 134(1)(h)(ii) of the Act, Dobson is prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager for a period of five years from the date of this Order;
7. Pursuant to clause 134(1)(h)(iii) of the Act, Dobson shall not be employed by an issuer, registrant or investment fund manager in a capacity that would entitle him to trade or advise in securities for a period of five years from the date of this Order;
8. Pursuant to clause 134(1)(h.1) of the Act, Dobson shall not become or act as a registrant, an investment fund manager or a promoter in Saskatchewan for a period of five years from the date of this Order;
9. Pursuant to section 135.1 of the Act, the Respondents shall pay an administrative penalty of \$20,000; and
10. Pursuant to section 161 of the Act, the Respondents shall pay costs in the amount of \$1,000.

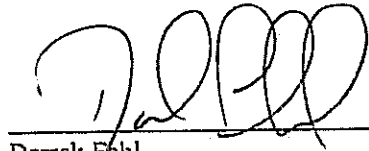
AND WHEREAS the Authority is of the opinion that it is in the public interest to make this Order;

THE AUTHORITY HEREBY ORDERS that:

1. Pursuant to clause 134(1)(a) of *The Securities Act, 1988* (the Act), the exemptions under Saskatchewan securities laws do not apply to the Respondents for a period of five years from the date of this Order;
2. Pursuant to clause 134(1)(d) of the Act, the Respondents cease trading in securities or exchange contracts in Saskatchewan for a period of five years from the date of this Order;
3. Pursuant to clause 134(1)(d.1) of the Act, the Respondents cease acquiring securities or exchange contracts in Saskatchewan for Saskatchewan residents for a period of five years from the date of this Order;
4. Pursuant to clause 134(1)(e) of the Act, the Respondents cease giving advice to Saskatchewan residents regarding securities for a period of five years from the date of this Order;
5. Pursuant to clause 134(1)(h)(i) of the Act, Monte Dobson (Dobson) resign any position that he holds as a director or officer of an issuer, a registrant or an investment fund manager;

6. Pursuant to clause 134(1)(h)(ii) of the Act, Dobson is prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager for a period of five years from the date of this Order;
7. Pursuant to clause 134(1)(h)(iii) of the Act, Dobson shall not be employed by an issuer, registrant or investment fund manager in a capacity that would entitle him to trade or advise in securities for a period of five years from the date of this Order;
8. Pursuant to clause 134(1)(h.1) of the Act, Dobson shall not become or act as a registrant, an investment fund manager or a promoter in Saskatchewan for a period of five years from the date of this Order;
9. Pursuant to section 135.1 of the Act, the Respondents shall pay an administrative penalty of \$20,000; and
10. Pursuant to section 161 of the Act, the Respondents shall pay costs in the amount of \$1,000.

DATED at Regina, Saskatchewan on December 19, 2013.



Derrek Fahl  
Chairperson of the Hearing Panel  
Financial and Consumer Affairs Authority  
of Saskatchewan

Consented to as to form and content at Regina, Saskatchewan, this 17 day of December, 2013.



Monte Dobson

Consented to as to form and content at Regina, Saskatchewan, this 17 day of December, 2013.

C2 Ventures Inc.

Per: 

Name: Monte Dobson

Title: President and Director

Consented to as to form and content by counsel duly instructed on behalf of Staff of the Authority, at Regina, Saskatchewan, this 18<sup>th</sup> day of December, 2013.

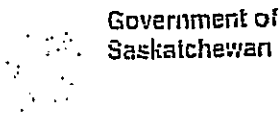


Dallas Smith

Legal Counsel, Securities Division

Financial and Consumer Affairs Authority of  
Saskatchewan

## Appendix 'A'



Government of  
Saskatchewan



Financial and  
Consumer  
Affairs Authority

Suite 601  
1919 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H2

**In the Matter of**

***The Securities Act, 1988, S.S. 1988, C. S-42.2***

**and**

**In the Matter of**

**C2 Ventures Inc.  
Monte Dobson**

**Agreed Statement of Facts**

The following facts which are alleged by Staff of the Financial and Consumer Affairs Authority of Saskatchewan have been admitted by the Respondents, C2 Ventures Inc. and Monte Dobson. The Respondents are represented by legal counsel.

**The Parties**

1. C2 Ventures Inc. (C2 Ventures) is a company incorporated under the laws of Alberta on August 29, 2006, with a registered head office located in Edmonton, Alberta.
2. At all relevant times Monte Dobson (Dobson) was a resident of Regina, Saskatchewan. He was also the president and a director of C2 Ventures.

**The Letter**

3. C2 Ventures sent a letter dated July 18, 2007 (the Letter) to investors proposing that they invest in a real estate development project. The Letter stated the following:
  - (a) C2 Ventures is pooling investors to fund the conversion of apartment buildings located at 2141 Rae Street, 2358 Rae Street, 2060 Lorne Street and 114 From

Crescent in Regina, Saskatchewan into condominiums (the Project) in exchange for a percentage of equity;

- (b) C2 Ventures has established a relationship with Dedric Robinson & Associates Inc. (Dedric Robinson & Associates), a developer in Edmonton, Alberta, who has purchased the Project in Regina, Saskatchewan;
  - (c) Dedric Robinson & Associates is a company specializing in real estate development and investment and has a proven success in the real estate industry;
  - (d) C2 Ventures assured investors that if they invest in the Project with C2 Ventures, they would be investing with a team of experts who know how to buy, manage and sell positive cash flow properties using sophisticated investment strategies;
  - (e) By pooling resources, C2 Ventures is better able to negotiate an equity position for investors, which will lead to a greater return on investment for all investors; and
  - (f) C2 Ventures will ensure that all investments will be fully secured and registered on title.
4. The Letter invited Saskatchewan residents to execute a Joint Venture Agreement (1<sup>st</sup> JVA) and send a cheque to C2 Ventures.

#### The investments

5. Based on the representations of C2 Ventures in the 1<sup>st</sup> JVA and the Letter, from July 2007 to August 2007, approximately 11 Saskatchewan residents executed the 1<sup>st</sup> JVA and sent approximately \$900,000 to C2 Ventures.
6. Particulars of the investors referred to in paragraph 5 above include, but are not limited to, the following:
- (a) [REDACTED] Saskatchewan through [REDACTED] executed a 1<sup>st</sup> JVA on July 27, 2007 and sent the 1<sup>st</sup> JVA and a cheque in the amount of \$200,000 to C2 Ventures;
  - (b) [REDACTED] Saskatchewan executed a 1<sup>st</sup> JVA on July 27, 2007 and sent the 1<sup>st</sup> JVA and a cheque in the amount of \$50,000 to C2 Ventures; and
  - (c) [REDACTED] Saskatchewan both executed a 1<sup>st</sup> JVA on August 7, 2007 and sent the 1<sup>st</sup> JVA and a cheque in the amount of \$50,000 to C2 Ventures.
7. Some other investors who purchased C2 Ventures securities are as follows:
- (a) [REDACTED] Saskatchewan invested \$30,000;

- (b) ██████████ Saskatchewan invested \$50,000;
- (c) ██████████ Saskatchewan invested \$37,500;
- (d) ██████████ Saskatchewan invested \$25,000;
- (e) ██████████ Saskatchewan invested \$50,000;
- (f) ██████████ Saskatchewan invested \$200,000; and
- (g) ██████████ Saskatchewan invested \$200,000.

#### **The 1<sup>st</sup> Joint Venture Agreement**

8. The 1<sup>st</sup> JVA executed between C2 Ventures and each investor was drafted by Dedic Robinson. The 1<sup>st</sup> JVA contained the following provisions:
  - (a) C2 Ventures shall jointly purchase and/or own a share of the Project with Dedic Robinson & Associates;
  - (b) C2 Ventures shall jointly and collectively pool funds of investors together to acquire and, or own an interest in the Project with Dedic Robinson & Associates; and
  - (c) C2 Ventures and Dedic Robinson & Associates will be the registered owners of the Project.

#### **The 2nd Joint Venture Agreement**

9. On July 17, 2007, Dedic Robison informed Monte Dobson by email that "We can provide a caveat on title to offer further protection as well but would want to have one caveat for the full amount rather than multiple people with caveats." On July 30, 2007, Dedic Robinson further informed the Respondents by email that "Certainly we can register a caveat on title. I will have my lawyer register once the title transfer takes place for your company. I am currently drafting your JV agreements and will email them shortly." From July 27 to August 7, 2007, investors signed the 1<sup>st</sup> JVA with the Respondents and the JVAs were executed when the Respondents countersigned the JVAs on August 8, 2007.
10. On August 5, 2007, C2 Ventures executed a Joint Venture Agreement (the 2<sup>nd</sup> JVA) with Dedic Robinson & Associates. It contained the following provisions:
  - (a) C2 Ventures will only be acquiring an interest in the profits, if any, from the ultimate sale of the Project;
  - (b) C2 Ventures is not acquiring a legal or beneficial interest in the Project; and



- (c) Dedric Robinson & Associates will be the sole registered owner of the Project.

**Communication with investors**

11. By a letter dated August 8, 2007, the Respondents assured [REDACTED]
- (a) that upon completion of the Project they will receive their principal investment and still be eligible for a proportionate share of net profit realized from the sale of the Project, (if any, as outlined in the 1<sup>st</sup> JVA); and
- (b) that C2 Ventures raised approximately \$1.3 million which is being used to complete the Project.
12. From October 22, 2008 to May 21, 2009, the Respondents were in communication with Dedric Robinson. Based on these communications, Dobson sent three e-mails to investors assuring them that the investment is safe, secured and that investors co-owned the Project.

**Contraventions of registration and prospectus requirements in sections 27 & 58 of the Act**

13. In carrying out the activities outlined in paragraphs 3 to 7 above, the Respondents engaged in the business of trading in securities in Saskatchewan.
14. In carrying out the activities outlined in paragraphs 5 to 7 above, the Respondents made a distribution of securities in Saskatchewan.
15. The Respondents were not registered to trade or advise in securities in Saskatchewan, and insofar as any exemptions did not apply to these trades they contravened the registration requirement in section 27 of the Act. The Respondents concede that no exemptions apply to [REDACTED] and that accordingly section 27 of the Act was violated in relation to these investors. The Respondents intend to claim exemptions in relation to the remaining investors.
16. The Director has not issued a receipt for a prospectus for the securities of C2 Ventures, and insofar as any exemptions did not apply to these distributions the Respondents have therefore contravened the prospectus requirement in section 58 of the Act. The Respondents concede that no exemptions apply to [REDACTED] and that accordingly section 58 of the Act was violated in relation to these investors. The Respondents intend to claim exemptions in relation to the remaining investors.
17. The Respondents have not filed reports pursuant to section 6.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) claiming any of the exemptions in NI 45-106.

### Potentially Inaccurate Statements


18. The Letter sent out by C2 Ventures informed investors that:
- (a) the Project has the potential to realize above average returns while being fully secured by the safest investment vehicle which is real estate, although the Letter also provides that there are inherent risks with the Project and any specific rates of return could not be guaranteed;
  - (b) investment will be fully secured and registered on title; and
  - (c) investment will be secured by way of a Joint Venture Agreement.
19. The statements made by the Respondents as set out in paragraph 18 above were potentially inaccurate in that:
- (a) contrary to what the Respondents had been informed by Dedric Robinson & Associates, the investment was not secured within a reasonable time by the real estate Project;
  - (b) the interest of the investors was not secured in the 2<sup>nd</sup> JVA as stated in the Letter and the 1<sup>st</sup> JVA, although as outlined in paragraph 9 above, the Respondents had been assured in writing by Dedric Robinson that a caveat would be registered on title; and
  - (c) when the Project failed in December 2009 investors' interests were not fully returned.
20. The 1<sup>st</sup>JVA executed between C2 Ventures and each investor provided that:
- (a) C2 Ventures shall jointly purchase and/ or own a share of the Project with Dedric Robinson & Associates;
  - (b) C2 Ventures shall jointly and collectively pool funds of investors together to acquire and, or own an interest in the Project with Dedric Robinson & Associates; and
  - (c) C2 Ventures and Dedric Robinson & Associates will be the registered owners of the Project.
21. Due to the fact that Dedric Robinson & Associates did not, in fact, secure an interest on title for the Respondents, and the Respondents did not register a caveat on title on their own until September, 2009, the statements made by the Respondents set out in paragraph 20 above were potentially inaccurate in that:
- (a) C2 Ventures did not jointly purchase and/ or own a share of the Project with Dedric Robinson & Associates until the Respondents took unilateral steps to register a caveat on title after the date of the 1<sup>st</sup> JVA in September, 2009;

- (b) Dedric Robinson & Associates was the sole registered owner of the Project until that time; and
- (c) contrary to what the Respondent had been informed by Dedric Robinson & Associates, C2 Ventures interest was not secured within a reasonable time in the Project.

22. Nothing in this Agreed Statement of Facts shall prohibit the Director, Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan (the Director) from considering and dealing with any matter not set out in the Agreed Statement of Facts or any new complaint brought to the Director's attention against the Respondents that is not related to or does not form part of the same transaction as set out in the Agreed Statement of Facts.

C2 Ventures Inc. has executed this Agreed Statement of Facts this 31<sup>st</sup> day of July, 2013


C2 Ventures Inc.

Per:  \_\_\_\_\_

Name: Monte Dobson

Title: President and Director

Monte Dobson has executed this Agreed Statement of facts this 31<sup>st</sup> of July, 2013

  
\_\_\_\_\_  
Monte Dobson