



**Saskatchewan
Financial Services
Commission**

Securities Division

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

and

**In the Matter of

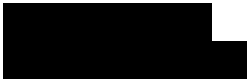
Gold Vault Metals, LLC
Worth Bullion Group, Inc.
Brian Darrow
Vincent Zapputo
Mark Walker
(Collectively known as the Respondents)**

Notice of Hearing

**To: Gold Vault Metals, LLC
Worth Bullion Group, Inc.
Brian Darrow
Vincent Zapputo
Mark Walker**

Take notice that you or your legal counsel are to attend before a panel of the Saskatchewan Financial Services Commission (the Commission) via teleconference on Friday, October 21, 2011 at 9:30 am to set a date for a hearing into the matters set out below.

The teleconference numbers are:



At the hearing, staff of the Commission will ask the hearing panel to consider whether it is in the public interest to make any of the following orders against Gold Vault Metals, LLC, Worth Bullion Group, Inc., Brian Darrow (Darrow), Vincent Zapputo (Zapputo) and Mark Walker (Walker) (collectively the Respondents):

- (a) the exemptions under Saskatchewan securities laws pursuant to clause 134(1)(a) of *The Securities Act, 1988* (the Act) do not apply to the Respondents;

- (b) the Respondents cease trading in any securities or exchange contracts pursuant to clause 134(1)(d) of the Act;
- (c) the Respondents cease acquiring securities or exchange contracts pursuant to clause 134(1)(d.1) of the Act;
- (d) the Respondents cease giving advice regarding securities pursuant to clause 134(1)(e) of the Act;
- (e) pursuant to clause 134(1)(h) of the Act Darrow, Zapputo and Walker:
 - (i) resign any position they hold as a director or officer of an issuer, registrant or investment fund manager,
 - (ii) be prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager; or
 - (iii) not be employed by an issuer, registrant or investment fund manager; and
- (f) Darrow, Zapputo and Walker be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter pursuant to clause 134(1)(h.1) of the Act;
- (g) the Respondents pay an administrative penalty pursuant to section 135.1 of the Act;
- (h) the Respondents pay financial compensation of up to \$100,000 to each person who or company that has suffered a financial loss caused by the Respondents' contravention of or failure to comply with Saskatchewan securities laws pursuant to section 135.6 of the Act;
- (i) the Respondents pay the costs of or relating to the hearing pursuant to section 161 of the Act.

Staff of the Commission will seek orders under the provisions of the Act set out above because of the following facts and allegations:

The Parties

1. Gold Vault Metals LLC (Gold Vault) maintains a web site at <http://goldvaultmetals.com> (The Gold Vault Website).
2. The Gold Vault Website sets out the following information:
 - (a) Gold Vault operates out of Fort Lauderdale, Florida in the United States of America;
 - (b) Gold Vault is in the business of handling precious metals transactions from

individuals

2. A search of the corporate registry of the state of Florida (Florida) shows that Gold Vault is a corporation incorporated in Florida.
3. Worth Bullion Group Inc. (Worth Bullion) maintains a web site at <http://worthmetals.com>. (The Worth Bullion Website).
4. The Worth Bullion Website sets out the following information:
 - (a) Worth Bullion operates out of Jupiter, Florida in the United States of America;
 - (b) Worth Bullion is in the business of trading and wholesale brokering of silver bullion, gold bullion, platinum and palladium.
5. A search of the corporate registry of the state of Florida (Florida) shows that Worth Bullion is a corporation incorporated in Florida.
6. Brian Darrow (Darrow) holds himself out as a representative of Gold Vault. His residence is unknown.
7. Vincent Zapputo (Zapputo) holds himself out as a representative of Gold Vault. His residence is unknown.
8. Mark Walker (Walker) holds himself out as a representative of Worth Bullion. His residence is unknown.
9. The Website, <http://whois.domaintools.com>, identifies Walker as the person who registered the Gold Vault Website.

Gold Vault trades

10. In June 2009, Darrow and Zapputo who identified themselves as representatives of Gold Vault Metals telephoned [REDACTED] ([REDACTED]), a resident of Saskatchewan on a number of occasions and sent marketing materials to him in an attempt to convince [REDACTED] to open a precious metals trading account (the Account) with Gold Vault. The Account would be managed by Darrow and Zapputo who will trade in precious metals with funds deposited into the account by [REDACTED].
11. On June 19, 2009, after a number of phone conversations between [REDACTED], Darrow and Zapputo, [REDACTED] agreed to open the Account and paid \$20,000 into the Account.
12. On June 30, 2009, [REDACTED] paid an additional \$20,000 into the Account.
13. From June 19, 2009 to July 14, 2009, Darrow and Zapputo informed [REDACTED] that they made money for him by trading on the Account.

14. On July 14, 2009, completed the Account opening documentation. The documentation consisted of the following: (a) Customer Application and a Customer Account Agreement (b) Broker/Dealer Agreement between [REDACTED] and Worth Bullion Group which authorized Gold Vault to act as the broker/agent of record, (c) Risk Disclosure Statement and (d) Customer Account Terms and Conditions.
15. On July 16, 2009 [REDACTED] paid an additional \$8,000 into the Account.
16. In May 2010, Walker telephoned [REDACTED] to introduce himself as [REDACTED]'s new account manager. Walker advised [REDACTED] to pay an additional \$4,400 into the account in order to avoid what he termed a "margin call".
17. [REDACTED] paid an additional \$4,400 into the account by issuing a cheque in favour of Worth Bullion.
18. In November 2010, [REDACTED] reviewed his monthly account statements from Worth Bullion and noticed discretionary trading on his account. At that time he closed the account and requested a refund cheque for his balance. He received a refund of \$6,842.60 from Worth Bullion.

Contraventions of registration and prospectus requirements in sections 27 and 58

19. In carrying out the activities outlined in paragraphs 10-17 above, the Respondents made a distribution of securities in Saskatchewan.
20. In carrying out the activities outlined in paragraphs 10-17 above, the Respondents engaged in the business of trading and advising in securities in Saskatchewan.
21. The Respondents are not registered to trade or advice in securities in Saskatchewan, and they have therefore contravened the registration requirements in section 27 of the Act.
22. The Director has not issued a receipt for a prospectus for the securities of Gold Vault and Worth Bullion and the Respondents have therefore contravened the prospectus requirement in section 58 of the Act.
23. 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.

AND TAKE FURTHER NOTICE THAT if the Respondents or their representative fails to participate in the teleconference on Friday, October 21, 2011 at 9:30 am, a date for the hearing will be set in their absence.

AND TAKE FURTHER NOTICE THAT the Respondents may be represented by counsel at the hearing and may make representations and lead evidence;

AND TAKE FURTHER NOTICE THAT subsections 9(3.1) and (3.2) of the Act require the Respondents to give a written response to this Notice admitting or denying each of the allegations herein, such response to be addressed to the Secretary of the Commission, 601 – 1919 Saskatchewan Drive, Regina, Saskatchewan, S4P 4H2, at least five business days before the date set for the hearing. Pursuant to subsection 9(3.3) of the Act Respondents who do not file a written response within the prescribed time may pay the costs of the hearing;

AND FURTHER TAKE NOTICE THAT upon failure of the Respondents to attend at the hearing, the hearing may proceed in their absence and no further notice of the proceeding will be given to them.

DATED at Regina, Saskatchewan, on September 19, 2011

"Original signed by Barbara Shourounis"

Barbara L. Shourounis
Director

Note: The Respondents may obtain documentary evidence to be used at the hearing at the Commission's office, 601 – 1919 Saskatchewan Drive, Regina, Saskatchewan, prior to the date of the hearing by appointment with the Deputy Director, Legal/Registration Branch whose telephone number is (306) 787-5879.

Local Policy Statement 12-602 *Procedure on Hearings and Reviews Before the Commission* sets out information on the procedures for this hearing. Local Policy Statement 12-602 can be found on the Commission's website at www.sfsc.gov.sk.ca.