



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

and

In the Matter of
I.W.F. Incorporated (also known as I.W.F. Inc.)
Keystone Explorations
Global Capital and Asset Management
Jack Shore

(Collectively referred to as the Respondents)

STATEMENT OF ALLEGATIONS
OF STAFF OF THE FINANCIAL AND CONSUMER AFFAIRS
AUTHORITY OF SASKATCHEWAN

To: **I.W.F. Incorporated/I.W.F. Inc.**
Keystone Explorations
Global Capital and Asset Management
Jack Shore

Staff of the Financial and Consumer Affairs Authority of Saskatchewan (Staff of the FCAA) make the following allegations:

The Respondents

1. The Respondent, I.W.F. Incorporated/I.W.F. Inc. (IWF), is an international business corporation, incorporated in Belize City, Belize, with a registered office at 76 Dean Street, P.O. Box 664, Belize City, Belize. IWF holds itself out as a private mining company.
2. The Respondent, Keystone Explorations (Keystone), purports to be a business corporation, incorporated pursuant to the laws of Belize, Central America. Keystone purports to be a subsidiary of IWF, and to be located at 7 New Road Second Floor #6, Belize City, Belize. Keystone holds itself out as a mining company, operating in Mexico and Belize.
3. The Respondent, Global Capital and Asset Management (Global Capital), purports to be

an international business corporation, incorporated under the laws of Belize. Global Capital holds itself out as an independent call centre located in Belize. At all material times, Global Capital acted as agent for IWF and Keystone.

4. The Respondent, Jack Shore (Shore), is an individual of unknown residence or whereabouts. At all material times, Shore held himself out as an Investor Relations Manager for Keystone, and acted as agent for Global Capital, Keystone and IWF. The email address used by Shore to communicate with an investor was investorrelations@keystoneexplorations.com.

Contraventions of sections 27(2), 55.1, 55.11 and 58 of *The Securities Act, 1988* (the Act)

5. Between June, 2010 and December, 2010, IWF and Keystone, through their agents, Global Capital and Shore, contacted Investor 1, a resident of Saskatchewan, on numerous occasions via telephone and email and advised him as to the buying of shares in Keystone.
6. In one telephone conversation, Shore, acting as agent for IWF, Keystone and Global Capital, advised Investor 1 that the Keystone shares would eventually trade on one of the junior exchanges – probably the TSX-V.
7. Investor 1 was also told by Shore, acting as agent for IWF, Keystone and Global Capital, that the Keystone shares would increase in value by ten or twenty cents in one year, and if Investor 1 were to purchase all of the warrants that he could, he would have half a million shares.
8. In further correspondence, Shore, acting as agent for IWF, Keystone and Global Capital, provided Investor 1 with a significant amount of false information regarding Keystone's operations. Shore also directed Investor 1 to review the website for Keystone: www.keystoneexplorations.com. This website also contained a large amount of false information. Shore advised Investor 1 that he would be purchasing shares in Keystone.
9. On or about November 23, 2010, IWF and Keystone, through their agent, Shore, sent Investor 1 an email attaching a Subscription Agreement and a Non-Disclosure Agreement. The Subscription Agreement was for shares in IWF. It provided instructions for Investor 1 to sign the Agreements and either email or fax them back. Payment instructions were included in the Subscription Agreement.
10. On or about December 10, 2010, Shore contacted Investor 1 on the telephone and advised him it was the last day he could invest. Shore advised Investor 1 that the minimum investment allowed was \$10,000.00 for 100,000 Keystone shares.
11. Investor 1 verbally agreed to invest \$10,000.00 for 100,000 Keystone shares. He agreed to pay \$5,000.00 immediately and an additional \$5,000.00 at a later, unspecified date.
12. Later, on or about December 10, 2010, Investor 1 filled in the Subscription Agreement, as

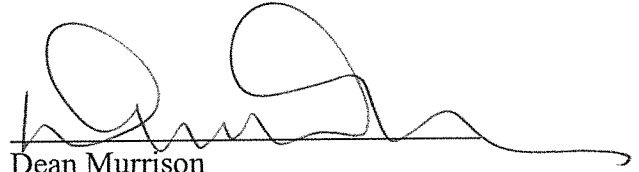
instructed. In doing so, Investor 1 subscribed for 100,000 Warrant Shares in IWF. Investor 1 signed the Subscription Agreement, then returned one signed page only, via fax, to Keystone/IWF.

13. On or about December 10, 2010, per the instructions received from Shore as part of the Subscription Agreement, Investor 1 wired \$5,000.00 to IWF as initial payment towards his 100,000 shares.
14. On or about December 21, 2010, in exchange for the \$5,000.00 wired, Investor 1 was issued 100,000 shares in IWF (the IWF Shares). The IWF Shares had not previously been issued.
15. On or about January 11, 2011, Investor 1 received an email with a copy of a Share Certificate, evidencing the issuance of the IWF Shares attached.
16. Investor 1 never made any subsequent payments to IWF, Keystone, Global Capital or Shore.
17. In carrying out the acts indicated in paragraph 5 – 15, above, IWF solicited and negotiated the sale of securities to Investor 1, and then transferred the IWF Shares to Investor 1 for valuable consideration, and as such, engaged in the business of trading securities.
18. In carrying out the acts indicated in paragraphs 5 – 15, above, Keystone, Global Capital and Shore furthered the sale of the IWF Shares to Investor 1, and as such, engaged in the business of trading securities.
19. None of IWF, Keystone, Global Capital or Shore has ever been registered as a dealer pursuant to the Act, and therefore, IWF, Keystone, Global Capital and Shore have contravened subsection 27(2)(a) of the Act.
20. In carrying out the acts indicated in paragraphs 5 – 10, above, IWF, Keystone, Global Capital and Shore engaged in the business of advising Investor 1 as to the investing in or buying of securities.
21. None of IWF, Keystone, Global Capital or Shore has ever been registered as an advisor pursuant to the Act, and therefore, IWF, Keystone, Global Capital and Shore have contravened subsection 27(2)(b) of the Act.
22. The trading engaged in by IWF, referred to in paragraph 17, above, and by Keystone, Global Capital and Shore, referred to in paragraph 18, above, related to a security that had not previously been issued, and as such, related to a distribution, pursuant to the Act.

23. No preliminary prospectus relating to the distribution of the IWF Shares was filed, and no receipt has been issued for it. No prospectus relating to the distribution of the IWF Shares was filed and no receipt has been issued for it. Therefore, IWF, Keystone, Global Capital and Shore contravened subsection 58(1) of the Act.
24. None of the Respondents has 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.
25. In carrying out the acts indicated in paragraphs 5 – 10, above, IWF, Keystone, Global Capital and Shore engaged in a course of action that they knew, or ought reasonably to have known, resulted in a misleading appearance of trading activity in a security, thereby contravening subsection 55.1(a) of the Act.
26. In carrying on the acts indicated in paragraphs 5 – 10, above, IWF, Keystone, Global Capital and Shore also made statements that they knew, or ought reasonably to have known, were misleading in material respects in light of the circumstances under which they were made, which statements would have reasonably been expected to have a significant effect on the value of a security. As such, IWF, Keystone, Global Capital and Shore have contravened subsection 55.11(1) of the Act.
27. Based on the above, Staff of the FCAA ask the hearing panel to consider whether it is in the public interest to make the following orders:
 - a. Pursuant to subsection 134(1)(a) of the Act, all of the exemptions in Saskatchewan securities laws do not apply to the Respondents;
 - b. Pursuant to subsection 134(1)(d) of the Act, the Respondents shall cease trading in any securities or exchange contracts in Saskatchewan;
 - c. Pursuant to subsection 134(1)(d.1) of the Act, the Respondents shall cease acquiring securities for and on behalf of residents of Saskatchewan ;
 - d. Pursuant to subsection 134(1)(e) of the Act, the Respondents shall cease giving advice respecting securities, trades or exchange contracts in Saskatchewan;
 - e. Pursuant to section 135.1 of the Act, the Respondents shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$15,000.00;
 - f. Pursuant to section 135.6 of the Act, the Respondents shall pay financial compensation to Investor 1 for financial loss, in the amount of \$5,000.00; and

- g. Pursuant to section 161 of the Act, the Respondents shall pay the costs of or relating to this hearing in this matter.

DATED at Regina, Saskatchewan, this 17 day of May 2013.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Dean Murrison
Director,
Securities Division