

A L B E R T A S E C U R I T I E S C O M M I S S I O N

IN THE MATTER OF the Securities Act
S.A. 1981, c.S-6.1, as amended
(the "Act")

- and -

IN THE MATTER OF Money Works Inc. ("MWI"),
and
Kenneth D. Fowler,
(the "Respondents")

- and -

SETTLEMENT AGREEMENT AND UNDERTAKING

1. INTRODUCTION

- 1.1 The Agency of the Alberta Securities Commission (the "Agency") conducted an investigation into the allegations that the Respondents traded in securities of Money Works Inc. without complying with the requirements of the Act.
- 1.2 The Agency and Respondents have agreed to resolve the allegations against the Respondents on the basis of the terms and conditions set out below.

2. STATEMENT OF AGREED FACTS

- 2.1 Money Works Inc. ("MWI") is incorporated under the Business Corporations Act of Alberta and amalgamated on January 1, 1994 with Del Rio International, a Resource and Technology Corporation, thereby becoming a reporting issuer in the Province of Alberta.
- 2.2 Kenneth Fowler is President and Director of MWI.
- 2.3 From January 1, 1994 to February 28, 1994 MWI used an offering memorandum dated December 15, 1993 and sought reliance upon certain exemptions from prospectus and registration requirements found in the Act to distribute securities to residents of Alberta.
- 2.4 MWI raised a total of \$214,040 in the distribution of its securities.

- 2.5 Six investors who acquired securities of MWI do not qualify for the claimed exemption from prospectus and registration requirements found in Section 107(1)(z)(v) and Section 65(1)(y)(v) of the Act.
- 2.6 MWI failed to file on a timely basis a report of trades in its securities as required by Section 108(1) of the Act.
- 2.7 MWI utilized an offering memorandum in the distribution of its securities which was not completed in accordance with Form 43 as required by Section 127 of the Securities Regulation.
- 2.8 MWI failed to file a report as required by Section 118(1) of the Act for a material change which occurred in the affairs of the company, specifically that the total amount of monies raised in the distribution of securities was significantly less than originally reported.

2.4. TERMS OF SETTLEMENT

- 2.5 The Respondents undertake to the Chief of Securities Administration to comply diligently with the requirements of the Act, Regulations and Policies.
- 3.2 The Respondents also undertake to make an offer of rescission to the six investors who do not qualify for the claimed exemptions from prospectus and registration requirements as noted in paragraph 2.5 above and to make full payment by no later than March 15, 1995 to investors who accept the offer of rescission.
- 3.3 The Respondents will make a settlement payment forthwith to the Provincial Treasurer of the Province of Alberta in the amount of \$6,000.00.
- 3.4 The Agency will take no further enforcement action in these matters.
- 3.5 The Respondents waive any right they may have under the Act, or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with or incidental to this Settlement Agreement and Undertaking.

Signed by Kenneth D. Fowler)	
at Calgary, Alberta, this <u>31</u> day of)	
)	
<u>JANUARY</u> , 1995)	
in the presence of)	
<u>“Original Signed By”</u>)	<u>“Original Signed By”</u>
Witness)	Kenneth D. Fowler

