

# ALBERTA SECURITIES COMMISSION

**Citation: Re Hunter, 2024 ABASC 70**

**File No.: ENF-012985**

**Date: 20240426**

## NOTICE OF HEARING

**To:** Glenn Donald Hunter, Kyle William Watters, HW & Associates Inc. and HW TradeFX LLC (**Respondents**)

**Notice:** The Alberta Securities Commission (the **Commission**) will convene at 9:30 a.m. on Friday, June 28, 2024, or as otherwise directed (the **Set Date Hearing**), at Calgary, Alberta, to set a date or dates for the conduct of a hearing regarding the allegations in this Notice (the **Merits Hearing**). At the Merits Hearing, the Commission will consider whether the allegations have been proven. If so, the Commission will subsequently consider whether it is in the public interest to make orders against you under sections 198, 199, and 202 of the *Securities Act*, RSA 2000, c. S-4, as amended (the *Act*).

**Location:** Alberta Securities Commission, 5<sup>th</sup> Floor, 250 – 5 Street S.W., Calgary, Alberta.

**Procedure:**

1. You may obtain disclosure and further information about particulars of the allegations in this Notice from Richard Van Dorp, c/o Alberta Securities Commission, 600, 250 - 5 Street S.W., Calgary, Alberta, T2P 0R4, telephone: 403.355.3869, email: richard.vandorp@asc.ca.
2. You may be represented by legal counsel or represent yourself. You or your legal counsel may make representations at the Set Date Hearing as part of the process for scheduling the Merits Hearing and the hearing management sessions that will take place between the Set Date Hearing and the Merits Hearing. At the Merits Hearing, you or your legal counsel may make representations and introduce relevant evidence regarding the allegations in this Notice.
3. If you or your legal counsel fail to attend the Set Date Hearing, the scheduling of the Merits Hearing and the hearing management sessions may proceed in your absence without further notice, and the Merits Hearing itself may proceed in your absence without further notice, following which orders may be made against you.

*See attached sections 29, 75(1)(a), 198, 199 and 202 of the Act, and Commission Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.*

**Reciprocation:** Take notice that orders or settlements made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Notice, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

## **Allegations**

### *Parties*

1. Glenn Donald Hunter (**Hunter**) resides in Grande Prairie, Alberta.
2. Kyle William Watters (**Watters**) resides in Kelowna, British Columbia.
3. HW & Associates Inc. (**HW Inc.**) is a British Columbia company incorporated on October 19, 2021. Hunter and Watters are the directors of HW Inc.
4. HW TradeFX LLC (**HW TradeFX**) was incorporated under the laws of Saint Vincent and the Grenadines on April 29, 2022. Hunter is the sole shareholder. Watters has represented himself as the “President” of HW TradeFX.
5. At all relevant times, Hunter and Watters were the guiding minds of HW Inc. and HW TradeFX.

### *Respondents’ Forex Trading Activities*

6. From February 2021 to February 2023 (**Relevant Period**), the Respondents raised approximately \$20 million from approximately 200 investors. The investors were located in British Columbia, Alberta and Saskatchewan.
7. The Respondents used investor funds to engage in foreign exchange (**Forex**) trading on Tradeview Ltd. (**Tradeview**). Tradeview is an online trading platform based in the Cayman Islands.
8. The Respondents engaged in Forex trading on behalf of investors to generate returns for them and, in exchange, investors agreed to pay fees to the Respondents. The arrangements with investors were securities within the meaning of section 1(ggg) of the *Act*.
9. In addition, the Forex trading engaged in by the Respondents on behalf of investors on the Tradeview platform involved trades in securities and/or derivatives within the meaning of sections 1(ggg) and (n.01) of the *Act*.
10. The Respondents’ Forex trading activities on behalf of investors were ultimately unsuccessful. By February 2023, most of the funds invested with the Respondents, were lost.

*Unregistered Trading Business*

11. During the Relevant Period, Hunter and Watters developed and operated a Forex trading business.
12. Hunter and Watters incorporated HW Inc. and HW TradeFX and used them as the corporate vehicles for their Forex trading business.
13. Accordingly, during the Relevant Period, Hunter and Watters, individually, and their corporations, HW Inc. and HW TradeFX, engaged in the business of dealing in securities by:
  - 13.1 engaging in activities similar to a person or company required to be registered pursuant to National Instrument 31-103, *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
  - 13.2 intermediating Forex trades on behalf of clients on Tradeview;
  - 13.3 regularly engaging in Forex trading activities, including capital raising, Forex trading, and client communications;
  - 13.4 being, or expecting to be, compensated for the Forex trading performed on behalf of clients; and/or
  - 13.5 soliciting funds from clients for the purposes of Forex trading.
14. During the Relevant Period, Hunter and Watters, as the guiding minds of HW Inc. and HW TradeFX, authorized, permitted and acquiesced in their activities described above.
15. None of the Respondents have ever been registered under Alberta securities laws.
16. None of the exemptions in part 8 of National Instrument 31-103, *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, applied to the Respondents or their activities described above.

*Breaches*

17. As a result of the above, Staff allege that the Respondents breached section 75(1)(a) of the *Act* by acting as dealers without being registered in accordance with Alberta securities laws.

18. Hunter and Watters authorized, permitted or acquiesced in HW Inc.'s and HW TradeFX's breaches of section 75(1)(a) of the *Act*.

Calgary, Alberta, 26 April, 2024.

) ALBERTA SECURITIES COMMISSION

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) *“Original Signed By”*

) Samir Sabharwal

) Executive Director