

IN THE MATTER OF
THE *SECURITIES ACT*, R.S.N.S. 1989, C. 418, AS AMENDED [the "Act"]

- and -

IN THE MATTER OF
WESLEY WILLIAM ROBINSON AND DRR900306 N.S. LTD.
[collectively the "Respondents"]

**STATEMENT OF ALLEGATIONS OF THE DIRECTOR OF ENFORCEMENT
FOR THE NOVA SCOTIA SECURITIES COMMISSION**

The Director of Enforcement for the Nova Scotia Securities Commission [the "Commission"] makes the following allegations:

THE RESPONDENTS:

1. At all times material hereto Wesley William Robinson ["Robinson"] was resident and conducted operations in Nova Scotia.
2. DRR900306 N.S. Ltd. ["DRR"] is an active Nova Scotia Limited Company with a registered office at 156-1083 Queen Street in Halifax.
3. Robinson is the director, president, secretary, and recognized agent of DRR.
4. At no time was DRR a reporting issuer in Nova Scotia or any other Canadian jurisdiction.
5. The Respondents are not registered in any capacity to trade or distribute securities in Nova Scotia or elsewhere in Canada and have not been so registered at least since Robinson's registration as a mutual fund salesperson was cancelled in 1997.
6. No prospectus or preliminary prospectus has been filed by or on behalf of the Respondents with the Commission nor has the Commission issued any receipt for a prospectus or preliminary prospectus.
7. The Respondents have not filed any reports of trades with the Commission relying on exemptions in Nova Scotia securities laws to distribute or sell securities in Nova Scotia.

FACTS LEADING TO THE ALLEGATIONS:

LINKEDIN.COM SOLICITATIONS

8. Beginning in or before November 2017 and continuing to the present, the Respondents have posted or caused to be posted material on linkedin.com promoting and soliciting investments from individuals resident in Nova Scotia and elsewhere.
9. The linkedin.com materials include or have included the following representations:
 - a) That, in exchange for a fee, Robinson could assist investors in using the “Platform Trading Programs”;
 - b) That, in exchange for a down payment, Robinson could assist life settlement buyers with financing;
 - c) That Robinson would provide a “no risk” “non-recourse benefit” to cover premiums and keep life insurance policies in force, to be generated from a payment to Robinson by an insured using Robinson’s “structure”;
 - d) That Robinson would provide debt financing to private corporations to be secured by an up-front cash payment by the corporation;
 - e) Invitations to contact Robinson for more details through skype at wes.robinson.capital, email to wes.robinson.capital@gmail.com, or phone at (902) 488-9734; and
 - f) An invitation to contact Robinson through the linkedin.com platform and request a document outlining opportunities available in 2020.

INDIVIDUAL COMPLAINANTS

A. COMPLAINANT 1 – KH

10. KH, a resident of Ontario, is an acquaintance of Robinson through distant family connections.
11. In or about July to August 2014, Robinson, while resident in Nova Scotia, contacted and corresponded via email with KH regarding investing a lump sum payment KH expected to receive from a civil settlement.
12. During this time, Robinson offered KH a “piggy back” investment opportunity wherein he:

- a. Solicited a \$25,000 CAD investment from KH which Robinson would use to buy a "Stand By Letter of Credit" issued by a major international bank;
 - b. Guaranteed KH's principal investment was subject to zero risk;
 - c. Asked KH to keep the opportunity "in confidence" due to Robinson's own non-disclosure agreement;
 - d. Noted participants in the trading program were "by invitation only" and that the transactions involved were "not risky, but sophisticated, which is why they are not promoted in the marketplace";
 - e. Promised a 100% return on investment within two months to be generated by Robinson's trading of the Stand By Letter of Credit.
13. On or about July 24, 2014, KH entered into a contract with Robinson wherein KH agreed to pay \$25,000 to Robinson in exchange for a return of KH's principal plus a 100% return on KH's principal investment by October 31, 2014.
 14. On or about August 29, 2014, KH paid \$25,000 to Robinson as per the terms of their contract.
 15. At no time did KH receive a prospectus or offering memorandum or any other disclosure from or on behalf of Robinson.
 16. At no time did KH receive any funds, principal, or contracted returns from or on behalf of Robinson.

B. COMPLAINANT 2 – BS

17. In or about late 2016, BS, a resident of Nova Scotia, was introduced to Robinson by a mutual friend.
18. On or about July 20, 2017, Robinson met with BS at BS's residence in Halifax, Nova Scotia. At this meeting, Robinson, on his own behalf and as an officer and director of DRR, offered an investment opportunity wherein he, among other representations:
 - a. Solicited a \$150,000 USD investment from BS which the Respondents would use to raise \$15M USD in funding for BS's start-up business;
 - b. Guaranteed, in the event the \$15M USD funding was not generated within sixty days, the return of BS's principal investment plus interest; and

- c. Represented that the \$150,000 USD investment by BS would be sent to and securely held in an escrow arrangement through a lawyer in Switzerland until the deal was complete.
19. On or about July 28, 2017, BS accepted the Respondents' offer and entered into a contract with the Respondents including the same terms.
20. The contract between BS and the Respondents included a promissory note from Robinson as president of DRR to BS wherein the Respondents promised to repay BS's \$150,000 USD investment plus 1% interest in the event the Respondents did not fulfill their obligations within sixty days of BS transferring her investment to the Respondents.
21. The contract further provided, among other representations:
 - a. The "successful completion of the [Respondents'] Bank Facility will generate a fresh block of debt financing, enabling [the Respondents] to fund the loan to [BS]";
 - b. That "the Bank Facility involved Barclays Bank in Zurich and London, and the [Respondents'] securing of a financial instrument and having it monetized"; and
 - c. That BS' \$150,000 USD would be transmitted by the Respondents to "the lawyer providing the escrow in Switzerland" and would thus "enable the transaction to commence".
22. On or about September 21, 2017, BS transferred \$150,000 USD (\$188,340 CAD) to the Respondents as per the terms of their contract, which monies were deposited into bank accounts held by the Respondents in Nova Scotia.
23. At no time did BS receive a prospectus or offering memorandum or any other disclosure from or on behalf of the Respondents.
24. At no time did BS receive any funds, principal, or contracted returns from or on behalf of the Respondents.

C. COMPLAINANT 3 – JE

25. In or about October 2018, Robinson met in Halifax, Nova Scotia, with JE, a resident of the United States of America who had learned of Robinson through the Respondents' online solicitations.
26. At the meeting with JE Robinson, on his own behalf and as an officer and director of DRR, offered an investment opportunity wherein he, among other representations:

- a. Solicited an investment from JE which the Respondents would use to raise or generate \$3M USD in funding for JE's business;
 - b. Guaranteed, in the event the \$3M USD funding was not generated by January 15, 2019, the return of JE's principal investment plus interest; and
 - c. Represented that JE's investment would be sent to and securely held in an escrow arrangement through a lawyer in Switzerland until the deal was complete.
27. On or about October 30, 2018, JE accepted the Respondents' offer and entered into a contract with the Respondents on the same terms.
28. The contract between JE and the Respondents included a promissory note from Robinson as president of DRR to JE wherein the Respondents promised to repay JE's \$60,030 USD investment plus 1% interest in the event the Respondents did not fulfill their obligations within sixty days of JE transferring his investment to the Respondents.
29. The contract further provided, among other representations:
 - a. The "successful completion of the [Respondents'] Bank Facility will generate a fresh block of debt financing, enabling [the Respondents] to fund the loan to [JE]";
 - b. That "the Bank Facility involved Barclays Bank in Zurich and London, and the [Respondents'] securing of a financial instrument and having it monetized"; and
 - c. That JE's \$60,000 USD would be transmitted by the Respondents to "the lawyer providing the escrow in Switzerland" and would thus "enable the transaction to commence".
30. As per the terms of their contract, on or about November 1, 2018, JE transferred \$50,015 USD to the Respondents and on or about November 6, 2018, JE transferred \$10,015 USD to the Respondents, which monies were deposited into bank accounts held by the Respondents in Nova Scotia.
31. At no time did JE receive a prospectus or offering memorandum or any other disclosure from on or behalf of the Respondents.
32. At no time did JE receive any funds, principal, or contracted returns from or on behalf of the Respondents.

D. USE OF COMPLAINANTS' INVESTMENTS

33. The invested funds of KH, BS, and JE were deposited into Nova Scotia bank accounts owned, managed, and under the control of the Respondents.
34. The invested funds of KH, BS, and JE were not used or transmitted as promised and represented by the Respondents, but rather were used for the Respondents' benefit, including personal and non-business-related expenses.

COMMISSION ORDERS:

35. On or about December 16, 2019, the Commission issued a Temporary Order against the Respondents pursuant to sections 134(1)(a), 134(1)(b)(ii), 134(1)(c), 134(1)(e)(i), 134(1)(g), 134(2), and 134(3) of the Act to be effective until January 15, 2020 [the "Temporary Order"].
36. On or about January 15, 2020, the Commission issued an Order extending the Temporary Order pursuant to section 134(3) of the Act until the earlier of June 15, 2020, or when a full hearing is held and decision rendered by the Commission [the "Extension Order"].
37. On June 4, 2020, the Commission further extended the Temporary Order to July 27, 2020.

ALLEGED VIOLATIONS:

38. The Director of Enforcement identifies the following reasons as to why the Commission should issue an order of penalty, sanctions, and costs against the Respondents:
 - a. As a result of soliciting investments from, providing advice to, and distributing securities to residents of Nova Scotia and elsewhere without being registered to do so the Respondents acted as a dealer and advisor in violation of section 31 of the Act;
 - b. By posting materials on linkedin.com soliciting residents of Nova Scotia to invest; by advising residents of Nova Scotia and elsewhere regarding investing and buying in securities; and by distributing securities to residents of Nova Scotia and elsewhere, the Respondents acted as a dealer and adviser in Nova Scotia without being registered to do so in violation of section 31 of the Act;
 - c. By providing undertakings with respect to the future value of securities with the intention of effecting a trade in such securities, the Respondents violated section 44(2) of the Act;

- d. By failing to disclose in sufficient detail the risks associated with investing in securities of DRR or other securities, the Respondents engaged in unfair practice and violated section 44A(2) of the Act;
- e. By promoting a high yield investment program the Respondents made untrue and misleading statements to residents of Nova Scotia and elsewhere that a reasonable investor would consider material in deciding whether to enter into and maintain a trading relationship with the Respondents, thereby violating sections 44A(2), 50(2), and 132B(1) of the Act;
- f. By distributing securities in Nova Scotia without having filed a prospectus or preliminary prospectus with the Commission and without available exemptions in Nova Scotia securities laws, the Respondents violated section 58(1) of the Act;
- g. By engaging in a practice and course of conduct relating to securities that the Respondents knew or ought reasonably to have known perpetrated a fraud on investors, the Respondents violated part 3.1(1)(b) of National Instrument 23-101 Trading Rules, and section 132A(1)(b) of the Act;
- h. By continuing to post or causing to post materials on linkedin.com promoting and soliciting investments from Nova Scotians and other Canadians between December 16, 2019, and the present, the Respondents violated Nova Scotia securities laws including provisions 1, 2, 4, and 5 of the Temporary Order and provisions 1, 2, 4, and 5 of the Extension Order;
- i. The Respondents' conduct was contrary to the public interest and undermined investor confidence in the fairness and efficiency of the public markets; and
- j. Such additional allegations as the Director of Enforcement may submit and the Commission may permit.

DATED at Halifax, Nova Scotia, this 15th day of July, 2020



Stephanie Atkinson
Acting Director of Enforcement
Nova Scotia Securities Commission

