## IN THE MATTER OF THE SECURITIES ACT R.S.O. 1990, C S.5, AS AMENDED

#### **AND**

# IN THE MATTER OF BRIAN ANDERSON, LESLIE BROWN, DOUGLAS BROWN, DAVID SLOAN AND FLAT ELECTRONIC DATA INTERCHANGE (a.k.a. F.E.D.I.)

## **TEMPORARY ORDER** Subsection 127(1) & 127(5)

### **WHEREAS** it appears to the Commission that:

- 1. Brian Anderson is a person resident in White Rock, British Columbia who attends in the Province of Ontario for the purpose of making presentations to Ontario residents;
- 2. Leslie Brown is a person resident in Paris, Ontario;
- 3. Douglas Brown is a person resident in Paris, Ontario;
- 4. David Sloan was present in Ontario on June 4, 2003;
- 5. On the evening of June 4, 2003, the individual Respondents conducted a presentation (the Presentation) in respect the Flat Electronic Data Interchange ("F.E.D.I.") at the Wyndham Bristol Place Hotel, Etobicoke;
- 6. At the Presentation, the documents attached to this order were made available to persons attending the seminar:
  - i) "What is F.E.D.I. and How Do They Make Their Income?" (Schedule A)
  - ii) "F.E.D.I. Flow Chart" (Schedule B)
  - iii) "Bank Wire Coordinates" (Schedule C)
  - iv) "Bank Wire Transfer Procedure" (Schedule D)
  - v) "Joint Venture Agreement" (Schedule E)
  - vi) "Email from Gordon Rothwell dated May 15, 2003" (Schedule F)
  - vii) "Email from bjanderson dated April 17, 2003" (Schedule G)
  - viii) "Email from Brian D. Anderson dated May 13, 2003" (Schedule H)

- 7. Persons who attended the Presentation were told that F.E.D.I. is a scriptural based public trust;
- 8. Persons who attended the Presentation were invited to participate in F.E.D.I., which was described as the Flat Electronic Data Interchange. It was purported that F.E.D.I. will become the world's fifth Electronic Data Interchange and that it would be the first such exchange to be backed by gold;
- 9. Persons who attended the Presentation were told that F.E.D.I. will be servicing the Arab world and that it has been funded by contributions made by major Arab families in the amount of \$500,000,000 (US), backed by gold;
- 10. Persons who attended the Presentation were invited to participate in F.E.D.I. by making an investment of \$125,000 (US), which investment would provide the investor with a seat or desk (the "Desk") on F.E.D.I.;
- 11. Persons who attended the Presentation were told that F.E.D.I. would be operational in July, 2003;
- 12. Persons who attended the Presentation were told that their investments would be fully insured by AON Reed Stenhouse of Canada;
- 13. Persons who attended the Presentation were told that the opportunity to purchase a Desk was limited, that only 20 Desks remained and that their investment must be made by the weekend of June 7, 2003;
- 14. Persons who attended the Presentation were told that their principal investment would be returned in October, 2003 and that they would receive income from their investment at the rate of 30% per month, for a ten year period;
- 15. As set out in Schedule E, the Joint Venture Agreement represents, among other representations, that:
  - I [Brian Anderson] have done my due diligence and asked all the hard questions. There is no downside to this program. In the event of failure of any kind, our investment capital will be returned to us within 30 banking days..."
- 16. The Desks are securities as defined by the Securities Act,
- 17. Persons who attended the Presentation were not provided with a prospectus which would qualify a Desk for sale in Ontario;
- 18. The Respondents are not registered pursuant to the *Securities Act* for the purpose of trading securities in the Province of Ontario;

19. The sales of Desks are being made in breach of sections 25 and 53 of the *Securities Act*, R.S.O. 1990 c.S.5;

**AND WHEREAS** the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest;

**AND WHEREAS** by Commission Order made March 9, 2001, pursuant to section 3.5(3) of the *Act*, any one of David A. Brown, Howard Wetston or Paul Moore, acting alone, is authorized to make orders under section 127 of the *Act*;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this order;

**IT IS ORDERED** pursuant to subsection 127(5) of the *Act* that:

- i) pursuant to subsection 127(1)2 all trading by the Respondents in Seats shall cease; and
- ii) pursuant to subsection 127(1)5(ii) the Respondents shall not provide to a person or company copies of those documents attached hereto as schedules A to H

**IT IS FURTHER ORDERED** that pursuant to subsection 127(6) of the *Act* this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

Dated at Toronto this 5<sup>th</sup> day of June, 2003

"Paul Moore" Paul Moore