



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

IN THE MATTER OF BERYL HENDERSON

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (the “Commission”) make the following allegations:

I. OVERVIEW

1. This proceeding involves a course of conduct including unregistered trading in securities and an illegal distribution of securities by Beryl Henderson (“Henderson”) which spanned from at least September 2004, and continued up to and including October 2006 (the “Relevant Period”).
2. Henderson made prohibited representations regarding the listing of securities on a stock exchange, and regarding the future value of these securities.
3. Henderson engaged in fraudulent conduct by misleading investors about the nature of their investment, her investment expertise and background, their expected returns and the risk level associated with their investment.
4. During the Relevant Period, Henderson sold securities to investors in Ontario and elsewhere, purportedly in a number of enterprises including Go Sports Entertainment, Inc. (“Go Sports”), a Nevada corporation, as described herein.

5. Throughout the Relevant Period, Henderson directed, or engaged in personally, a course of conduct which resulted in the sale of trust agreements, as described below, totalling approximately \$400,000, to at least 10 investors in Ontario and elsewhere.

II. THE RESPONDENTS

6. Henderson is an Ontario resident who sold securities to investors in Ontario and elsewhere (the “Investors”).
7. Henderson has never been registered to trade in securities in Ontario.
8. Henderson initially met a number of the Investors through her work as a real estate agent.
9. Henderson held herself out as a doctor, and represented to at least one of the Investors that she had obtained her doctorate in finance.
10. Henderson represented to at least one Investor that she had “so much money that she couldn’t keep it at the bank at one time and she had to buy a vault to keep her money in the vault”.
11. Henderson told Investors that they would never see their money if they involved lawyers or law enforcement officials.

III. THE CONDUCT

i. Unregistered Trading and Illegal Distribution

12. Henderson solicited the Investors to invest in various enterprises including Go Sports, building hospitals in Dubai, a goldmine in Dubai, and an online gaming company (collectively, the “Enterprises”).
13. To represent the Investors’ investment in the Enterprises, Henderson or an agent of Henderson (the “Agent”) sold trust agreements to Investors (the “Trust Agreements”), which purported to evidence the purchase of shares in one of the Enterprises. Each of the Investors was sold one or more Trust Agreements purporting to evidence the purchase of shares in Go Sports.

14. Investors made the payments for their investments in the Trust Agreements payable to Henderson or the Agent.
15. Each of the Trust Agreements stated that the shares referred to therein initially would be purchased in the name of Henderson or in the name of the Agent, and that once the share certificates had been issued and received by Henderson or the Agent, then the shares referred to in the Trust Agreements would be transferred to an account in the name of the Investor. None of the Investors ever received shares in any one of the Enterprises.
16. Each of the Trust Agreements is a security as defined in clauses (g) and (n) of subsection 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
17. Henderson’s trading in the Trust Agreements constituted a distribution of securities. Go Sports was not a reporting issuer between September 21, 2004 and October 31, 2006. No preliminary prospectus or prospectus was filed, nor were receipts issued by the Director, between September 21, 2004 and October 31, 2006.

ii. Prohibited Representations

18. In an effort to convince Investors to invest in the Trust Agreements, Henderson approached at least one Investor with representations of “an IPO which will triple”, claiming that it would be “listed soon”.

iii. Fraudulent Conduct

19. Henderson represented to certain of the Investors that their investments would be used to build hospitals in Dubai or elsewhere, or to fund a goldmine in Dubai, yet their Trust Agreements referenced shares in Go Sports. There is no evidence that either of Henderson or Go Sports was involved in financing hospitals or goldmines in Dubai.
20. The majority of the Investors lost all of the funds they invested with Henderson.
21. Henderson and the Agent sold approximately \$400,000 in the Trust Agreements to the Investors.

IV. BREACHES OF ONTARIO SECURITIES LAW and CONDUCT CONTRARY TO THE PUBLIC INTEREST

22. Henderson's activities constituted trading in securities without registration, contrary to subsection 25(1)(a) of the Act, as it existed at the time.
23. Henderson undertook activities which constituted trades in securities which were distributions for which no preliminary prospectus or prospectus was filed or received by the Director, contrary to subsection 53(1) of the Act.
24. With the intention of effecting a trade in a security, Henderson made representations regarding listing on a stock exchange, contrary to subsection 38(3) of the Act.
25. With the intention of effecting a trade in a security, Henderson made representations regarding the future value or price of a security, contrary to subsection 38(2) of the Act.
26. Henderson directly or indirectly engaged or participated in an act, practice or course of conduct relating to securities which she knew, or reasonably ought to have known, perpetrated a fraud on Investors, contrary to subsection 126.1(b) of the Act.
27. Henderson's conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.
28. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto this 30th day of March, 2012.