

IN THE MATTER OF THE *SECURITIES ACT*,
S.N.B. 2004, c. S-5.5

AND IN THE MATTER OF

**NNR N. Natural Resources Inc.,
Int. Teleworld Inc.,
Flash Funding International Corp.,
FNT Forever New Technologies, Inc.,
Global Capital & Financial Corp.,
Prudential Global Real Estate Corp.,
Global Bonds Fund Inc.,
Luminary Minerals Ltd.,
RAK Marine International Inc.,**

(Respondents)

AMENDED MOTION

1. **Staff of the New Brunswick Securities Commission (“Staff” and “NBSC”, respectively) alleges the following concerning the Respondents:**

Allegation:

Between January 2011 and March 2012, approximately 74 companies have been incorporated in New Brunswick, each purporting to have a registered office at the same address in Shediac, New Brunswick. This office is in fact a small business services outlet. The owner of this outlet has no connection to any of the 74 companies, but is paid a monthly fee by an Ontario company involved in the incorporation of the 74 companies.

None of the 74 companies were incorporated with any directors resident in New Brunswick, and it does not appear to Staff that they have any actual employees or operations located in New Brunswick.

Many of these 74 New Brunswick companies have securities listed on the Frankfurt Exchange or the Berlin Bourse, or have sought such listings. Included among these companies are the Respondents NNR N. Natural Resources Inc., Int. Teleworld Inc., Flash Funding International Corp., FNT Forever New Technologies, Inc., Global Capital & Financial Corp., Prudential Global Real Estate Corp., Global Bonds Fund Inc., Luminary Minerals Ltd., RAK Marine International Inc. (the “9 Respondent NB Companies”).

Information provided by the 9 Respondent NB Companies to Staff, as well as publically available information, is in many respects inconsistent, carelessly prepared, or nonsensical. It appears to Staff that the 9 Respondent NB

companies are not legitimate businesses and that they pose an undue risk of being used in abusive investment schemes. Such circumstances might promote a lack of confidence in the capital markets in New Brunswick, contrary to the public interest.

2. **The particulars of the Allegations are:**

The Respondents

- a) The Respondent NNR N. Natural Resources Inc. ("NNR") is a New Brunswick company incorporated on 27 June 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.
- b) The Respondent Int. Teleworld Inc. ("ITW") is a New Brunswick company incorporated on 23 June 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.
- c) The Respondent Flash Funding International Corp. ("FF") is a New Brunswick company incorporated on 21 October 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.
- d) The Respondent FNT Forever New Technologies, Inc. ("FNT") is a New Brunswick company incorporated on 13 September 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.
- e) The Respondent Global Capital & Financial Corp. ("Global") is a New Brunswick company incorporated on 3 March 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.
- f) The Respondent Prudential Global Real Estate Corp. ("Prudential") is a New Brunswick company incorporated on 21 September 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.
- g) The Respondent Global Bonds Fund Inc. ("GBF") is a New Brunswick company incorporated on 26 October 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.
- h) The Respondent Luminary Minerals Ltd. ("Luminary") is a New Brunswick company incorporated on 1 June 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.
- i) The Respondent RAK Marine International Inc. ("RAK") is a New Brunswick company incorporated on 8 June 2011, which purports to have a registered office at 334 Main Street in Shediac, New Brunswick.

The Incorporation of the 74 New Brunswick Companies

- j) Since January of 2011, approximately 74 companies, including the 9

Respondent NB Companies, have been incorporated in New Brunswick with a purported registered office at 334 Main Street in Shediac, New Brunswick.

- k) Each of the 74 companies, including the 9 Respondent NB Companies, was incorporated by a particular business services company from Ontario (the "Ontario business services company").
- l) As recently as 24 February 2012, the purported registered office in Shediac contained no corporate records belonging to any of the 74 companies. Certain corporate records have since been delivered to the Shediac address subsequent to Staff's inquiries.
- m) None of the 74 companies, including the 9 Respondent NB Companies, were incorporated with any directors resident in New Brunswick.
- n) Staff have been unable to ascertain that any of the 74 companies has any employees or actual operations located in New Brunswick.
- o) Given their incorporation in New Brunswick, the issuance or distribution of shares or other securities by the 9 Respondent NB Companies is subject to the jurisdiction of the Securities Act, S.N.B. 2004, c. S-5.5.

NNR N. Natural Resources Inc.

- p) Certain securities issued by NNR were listed for trading on the Frankfurt Stock Exchange.
- q) The New Brunswick Corporate Affairs Registry reflects that NNR has a single director, who is a resident of Ontario. This individual became a director of NNR at the request of the principal of the Ontario company who incorporated NNR. This director does not run NNR, nor does he know who actually does run the company.
- r) Despite this lack of knowledge, the director signed-off on certain financial statements that were subsequently provided to Staff. The financial statements are themselves incomplete and, in certain respects, nonsensical.
- s) A website belonging to NNR represents that three other individuals are directors of NNR. Two of these three directors are described on the website as having been with NNR since 2009, which predates the incorporation of the company.
- t) The NNR website displays purported photographs of these three directors. These photographs are exact copies of photographs of individuals identified by other names elsewhere on the internet. Two of the three photographs are of two directors of a large, multinational corporation, as found on its website.

- u) NNR has provided Staff with an "Offering Memorandum" ("OM") dated 15 July 2011 and purporting to describe its business. The OM contains a statement where NNR disavows responsibility for the content of the document. Much of the content of the OM appears to have been cut and pasted from other sources, including reference materials from the internet.
- v) On 30 May 2012, a Staff investigator issued an information demand letter to the lawyer for NNR. As of the date of this Amended Motion, Staff have not received any of the information requested.
- w) On 27 June 2012, Staff received a complaint from a German investor in NNR. This individual has described investing approximately 20,000 € in NNR during January and February of 2012. The investment was made after a telephone solicitation from a purported financial advisor at a firm purportedly based in Belgium. Shortly after the final investment, NNR was delisted from the Frankfurt Stock Exchange. The investor is now unable to contact the representative through whom he made his purchase.

Int. Teleworld Inc.

- x) Certain securities issued by ITI are listed for trading on the Frankfurt Stock Exchange.
- y) A website belonging to ITI describes the company as being involved in the telecommunications industry, while elsewhere describing the company as being involved in trading in gold and silver.
- z) Financial statements provided to Staff by ITI are incomplete.
- aa) ITI has provided Staff with an OM dated 13 July 2011 and purporting to describe its business. Some of the content of the OM was copied from a fictitious telecom model business plan available on the internet.
- bb) The OM and other materials provided by ITI to Staff do not disclose any physical location where ITI purports to conduct its business operations.
- cc) On 30 May 2012, a Staff investigator issued an information demand letter to the lawyer for ITI. As of the date of this Amended Motion, Staff have not received any of the information requested.

Flash Funding

- dd) Certain securities issued by FF are listed for trading on the Frankfurt Stock Exchange.
- ee) Financial statements available on a website belonging to FF state that as of 21 October 2011, the company had made a gross profit in its first 9

months of operations exceeding \$112,000,000.00 on "sales" costing \$1,426,169.00. In fact, 21 October 2011 represents the day FF was incorporated.

- ff) As of 3 February 2012, the FF website stated that the company was represented by a certain American law firm. A lawyer from this firm has denied this representation to Staff.
- gg) FF has failed to provide certain information requested by Staff.

FNT Forever New Technologies, Inc.

- hh) Certain securities issued by FNT are listed for trading on the Berlin Bourse.
- ii) FNT has provided Staff with an OM dated 14 September 2011 and purporting to describe its business. The OM contains a statement where FNT disavows responsibility for the content of the document. FNT purports to be in the business of providing free solar energy systems to businesses, but the document goes on to contemplate investments in "timeshares" and an "ink and toner group".
- jj) FNT has provided Staff with certain financial statements. These represent that the company has no liabilities, and assets valued at \$51,000,000.00, which are comprised mostly of "rare coins".
- kk) It appears to Staff that one of the directors of FNT was convicted of fraud in the State of California.
- ll) On 30 May 2012, a Staff investigator issued an information demand letter to the lawyer for FNT. As of the date of this Amended Motion, Staff have not received any of the information requested.

Global Capital & Financial Corp.

- mm) Certain securities issued by Global are listed for trading on the Frankfurt Stock Exchange.
- nn) Portions of a website belonging to Global have been copied from a website belonging to a legitimate company with a similar name.
- oo) Global has provided Staff with an OM dated 11 March 2011 and purporting to describe its business. The OM contains a statement where Global disavows responsibility for the content of the document. Financial statements included in the OM are limited to 2 entries: a statement of assets ("related parties") in the amount of \$2,557,027.00 with shareholder equity in the same amount.
- pp) On 30 May 2012, a Staff investigator issued an information demand letter to the lawyer for Global. As of the date of this Amended Motion, Staff

have not received any of the information requested.

Prudential Global Real Estate Corp.

- qq) Certain securities issued by Prudential are listed for trading on the Frankfurt Stock Exchange.
- rr) One of the purported directors of Prudential is a resident of the United States who is presently 17 years of age. The company was incorporated in New Brunswick with the name of this director reversed (i.e. surname as given name).
- ss) Prudential has provided Staff with an OM dated 4 October 2011 and purporting to describe its business. The OM contains a statement where Prudential disavows responsibility for the content of the document. The OM has also reversed the name of a director in the same manner described above. This same 17 year old director is represented as having a degree in economics and vast management experience with corporations in the United States.
- tt) Financial statements included in the OM are limited to two entries; current assets valued at \$15,000,000.00 and shareholder equity in this same amount.
- uu) On 30 May 2012, a Staff investigator issued an information demand letter to the lawyer for Prudential. As of the date of this Amended Motion, Staff have not received any of the information requested.

Global Bonds Fund Inc.

- vv) GBF has attempted to list securities on the Berlin Bourse and Frankfurt Stock Exchange, and is presently attempting to list securities on the Vienna Stock Exchange.
- ww) One of the purported directors of GFB is a resident of the United States who is presently 17 years of age. The company was incorporated in New Brunswick with the name of this director reversed (i.e. surname as given name). This is the same individual who is a director of Prudential.
- xx) GBF has provided Staff with an OM dated 11 November 2011 and purporting to describe its business. The OM contains a statement where GBF disavows responsibility for the content of the document. The OM has also, in one instance, reversed the name a director in the same manner described above. This same 17 year old director is represented as having a degree in economics and vast management experience with corporations in the United States. This individual is referred to in both genders (i.e. "Mr." and "Ms.").
- yy) Financial statements included in the OM are incomplete, and inconsistent

with similar information given to the Vienna Stock Exchange.

- zz) On 30 May 2012, a Staff investigator issued an information demand letter to the lawyer for GBF. As of the date of this Amended Motion, Staff have not received any of the information requested.

Director of Global, Prudential and GBF

- aaa) In response to a request for information, the Ontario business services company has provided Staff with a photocopy of the Israeli passport of an individual who is a director of Global, Prudential and GBF. The photocopy is of poor quality and certain issues with it raised suspicions with Staff regarding the authenticity of the copy.
- bbb) Due to these concerns, Staff contacted the Israeli Consulate General in Toronto to determine whether the Consulate could confirm the authenticity of the copy of the passport that had been provided to Staff.
- ccc) On 6 July 2012, Staff was contacted in this regard by a representative of the Israeli Consulate General in Toronto. They stated that the Census ID number on the passport was associated with a name which was different than that found on the copy. The name provided by the Consulate is the same as that belonging to an individual who is presently under indictment for securities fraud in Israel.
- ddd) The Israeli press has reported that the individual under indictment in Israel was previously convicted of securities fraud in the United States, under a different name. Materials from the United States Department of Justice indicate that this individual has the same date of birth as that found on the passport.

Luminary Minerals Ltd.

- eee) It appears to Staff that Luminary has attempted to list securities on the Frankfurt Stock Exchange.
- fff) Luminary has provided Staff with an OM dated 2 June 2011 and purporting to describe its business. The OM contains a statement where Luminary disavows responsibility for the content of the document. The OM describes two subsidiary businesses:
 - (1) The first business is purported to be in the locksmith and security business, but some of the description is written in the first person, as though it was copied from another document. The main product described is a specialized drill bit for accessing commercial safes and vaults; and
 - (2) The second purported business, a jewelry business, is described as seeking contracts for airport security upgrades, which presumably

relates to the other business

- ggg) Presently, 11 months later, Luminary purports on its website to have three additional subsidiary companies:
- (1) The first is purported to be involved in diamond mining and jewelry production in Brazil;
 - (2) The second purports to be a mining equipment company; and
 - (3) The third purports to manufacture and sell a leading lock cutting device.
- hhh) On 20 March 2012, a Luminary director sent Staff a PDF copy of a letter with an electronic signature of one of the directors of Luminary. The letter is a template or form letter, but drafter of the letter neglected to insert the particularized information required by the form letter.

RAK Marine International Inc.

- iii) Certain securities issued by RAK are listed for trading on the Frankfurt Stock Exchange.
- jjj) RAK has provided Staff with an OM dated 24 June 2011 and purporting to describe its business. The OM contains a statement where RAK disavows responsibility for the content of the document. The OM describes the company as a start-up boat repair service located in Hawaii, with the funding of these operations pending.
- kkk) As of 16 April 2012, the website belonging to RAK states that the company has 30 years of experience in marine diesel repair and other shipbuilding services. The website also implies that RAK will be seeking military contracts related to the naval base in Halifax, Nova Scotia, as well as Hawaii.
- lll) On 30 May 2012, a Staff investigator issued an information demand letter to the lawyer for RAK. As of the date of this Amended Motion, Staff have not received any of the information requested.

The Status of the Investigation

mmm) Staff have obtained an Investigation Order, pursuant to section 170(2) of the Securities Act, concerning the Respondents and other parties. Staff's investigation is ongoing.

Conclusion

nnn) The public interest warrants that the Respondents be prohibited from issuing securities from treasury, or otherwise trading in securities. This relief

is sought in the public interest pursuant to section 184(1) of the *Securities Act*.

Relief

ooo) Take notice that at the hearing of this Motion, a hearing panel of the NBSC may make an interim Order pursuant to section 184(1) of the Securities Act, which may include the following relief:

- (i) a cease trade Order pursuant to section 184(1)(c)(i) and 184(1)(c)(ii); and
- (ii) a denial of exemptions under New Brunswick securities law pursuant to section 184(1)(d).

3. **Evidence to be relied on:**

- a) The affidavit of Jake van der Laan, Director of Enforcement, sworn the 26th day of April 2012;
- b) The affidavit of Gordon Fortner, Senior Investigator, sworn the 9th day of April 2012;
- c) The affidavit of Jake van der Laan, Director of Enforcement, sworn the 10th day of July 2012;
- d) Such further and other evidence as Staff may adduce and the Commission permit in support of this motion for an interim Order.

DATED at the City of Saint John this 10th day of July 2012.

"Original signed by"

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