

TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION



PUBLIC NOTICE

Decision in High Court matter re TTSEC vs. Lawrence Cole, Alpha Savings and Trust Ltd, et al

CV NO: 2010-02290

The public is asked to note that the Trinidad and Tobago Securities and Exchange Commission has been investigating complaints from investors regarding the actions of Lawrence Cole, Alpha Savings and Trust Ltd., Flagship Financial Investments Co-operative Society, Safe Holdings and Trust Ltd and Christian Credit union Co-operative Society Ltd hereinafter referred to as the Defendants:

In June 2010 the TTSEC initiated action against the Defendants and certified via a statement of case to the High Court that it:

- (i) Considered the factors of the complaints received concerning the defendants
- (ii) Considered that the defendants were in contravention of sections 53(1); 64 (2), 65 (1) and 82 (b) of the Securities Industry Act ("the Act") and
- (iii) Concluded that it was necessary in the public interest and for the protection of investors to prevent the Defendants from dealing with the property under their control or direction, namely the investments and or deposits obtained from investors and or the proceeds thereof; and
- (iv) Agreed to apply to the courts for relief pursuant to sections 140 (2); 144 and 145 of the Act

The matter was considered by Madame Justice Judith Jones who delivered her judgment on April 20th 2011 and found that the Commission was entitled to the following declarations and orders:

1. *A declaration that the First, Second, Third and Fourth Defendants are in breach of section 53 (1) of the Act;*
2. *A declaration that the Third and Fourth Defendants are in breach of section 64 (2) and 65 (1) of the Act:*
3. *A declaration that the First, Second, Third and Fourth Defendants are in breach of section 69 of the Act*

4. *A declaration that the First, Second, Third and Fourth Defendants are in breach of sections 82 (b) of the Act;*
5. *A declaration that the certificates for loan investment, the certificates for investment, certificates for bond market, and certificates for security investment issued by the Third and Fourth Defendants are illegal, null and void and contrary to section 65(1),of the Act;*
6. *A declaration that the Defendants have not complied and are not complying with the Act with respect to investment business activities with members of the public;*
7. *An order that any issuance of a security by any of the Defendants be cancelled;*
8. *An order rescinding any transaction entered into by any of the Defendants relating to trading in securities, including the issuance of any security;*
9. *An order that the Defendants be required to disgorge all profits from any "loan investment", "investment", "bond market", "savings deposit" or " deposit account" in the name of any investor and an order requiring the Defendants to disgorge to the Commission all profits obtained as a result of the non-compliance with the Act;*
10. *An order that a receiver be appointed by the court over the property of the Defendants, whether in their names or otherwise, with the following powers and authorization:*
 - (a) *to receive the income from any "loan investment", "investment", ", "bond market", "savings deposit" or " deposit account" in the name of the Defendants, to preserve and get in and protect same but not to distribute or part with same until further order;*
 - (b) *to discharge rents, salaries and other expenses and liabilities of the business of the Defendants as they pertain to the securities markets;*
 - (c) *take such reasonable steps to reduce the current expenses and other liabilities and expenses referred to in 10 (b) above, including but not limited to, in the exercise of the receiver's sole discretion, the power to dismiss employees in the name of any of the Defendants and to reduce telephone charges and property rentals to prevent the dissipation of the property of any "Loan Investment", "Investment", "Bond Market", "Savings Deposit" or "Deposit Account" or any other securities issued by any of the Defendants;*
 - (d) *to operate the bank accounts or any accounts held at any financial institution in the name of any of the Defendants for such purposes as the court may direct;*
 - (e) *take such steps as are prudent and necessary to ensure commercially acceptable returns on the property of the Defendants, including but not limited to selling the real property of the First Defendant and investing any monies realized in those sales or otherwise in an interest bearing or income bearing account at any financial institution in Trinidad and Tobago;*
 - (f) *to be at liberty to appoint an attorney at law or attorneys at law and other agents to assist him in the performance of his duties;*
 - (g) *to engage accountants and /or auditors to investigate the affairs and/or operations of the Defendants with regard to any securities issued by any of them and to prepare accounts from any persons or corporations from whom an accounting is due;*
 - (h) *to liaise with the Commissioner for Co-operative Development, as regards the affairs and/or operations of the Third and Fifth Defendant to verify and/or ascertain whether there has been a contravention by them of the Act*

11. *An order that the receiver provide an account of all monies invested in the investments referred to at 8 above and thereafter restitution of those monies to the individual investors;*
12. *An order that the fees and disbursements be paid to the receiver out of the income and property of the Defendants as it pertains to the securities market and /or paid by the Defendants and in such amounts as may be approved by the court on the submission of his account;*
13. *An order that the Defendants comply with the Act with respect to investment business activities with members of the public;*
14. *An order restraining the breaches of section 53 (1), 64 (2), 65 (1), 69, 82 (b) and 82 (c) of the Act by the Defendants;*
15. *An order requiring the Defendants to rectify any past non-compliance with the Act to the extent that such rectification is practicable*
16. *An injunction preventing each of the Defendants and/or their servants and /or agents, from dealing with, distributing and /or selling unregistered securities and /or in particular dealing with, selling, distributing and/or selling securities described as “Certificate for Loan Investment” and/or “Certificate for Investment” and/ or “Certificate of Bond Market” and/or accepting monies and/or funds from the public for the purpose of dealing with, selling, distributing and /or selling unregistered securities and or “Certificates for Loan Investment” and/or “Certificates for Investment” and/or “Certificates of Security Investment” and/or “Certificates of Bond Market”;*
17. *An injunction preventing Lawrence Cole whether in his own name and/or the name of Flagship Financial Investment Co-operative Society Ltd and/or Safe Holdings and Trust Limited and/or Alpha Securities and Trust limited and /or Christian Credit Union Co-operative Society Ltd and /or his servants and /or agents from soliciting investors for the purpose of investing in unregistered securities and or , in particular from investing in securities described as “Certificate for Loan Investment: and /or “Certificate for Investment” and /or “Certificate for Bond Market” and/or “Certificate of Security Investment” by any manner or means whatsoever and in particular by hosting any promotional meeting or any meeting at all.*

In light of the judgment the Commission would like to take this opportunity to once again remind investors and potential investors that they must always remain vigilant before deciding to part with their hard earned money and always ensure that the market participant with whom they intend to do business is duly registered with the SEC to undertake that line of business. Additionally, investors must remember that due diligence is a continuous process that includes, among other things, ongoing disclosure as to the status of their investments.

In the event that you have a complaint or concern you can refer the matter to the TTSEC via telephone at **624-2991**, by downloading the complaint form available on the website and faxing it to **627-0600** or **625-2995** or in person at our offices at 57-59 Dundonald Street Port of Spain.

The full text of the order has been placed on the TTSEC's website at www.ttsec.org.tt