

8. Re: License Application
Koscot Interplanetary of Canada (1971) Ltd.,
#102 - 6440 Royal Oak Avenue,
Burnaby 1, B. C.
(Item No. 2, Report No. 32, May 3, 1971)

The above company appeared before Council during the early part of this year concerning the issuance of a business license. (Item No. 1, Report No. 12, February 15, 1971.) A license was not issued due mainly to concern expressed by the B.C. Securities Commission.

The applicant appeared before Council on May 3, 1971. The Council noted that there were some points of conflict between that conveyed by Mr. Tollestrup (acting for Koscot) and the report of the Manager. We were directed to double check our information and to contact the Attorney-General to determine whether charges were to be laid by that Department against the Company.

Mr. Tollestrup on May 7, 1971, advised that he had discovered that charges had in fact been laid against Koscot in Alberta under the Lotteries Act of that Province. In checking with the Securities Commission at the time we confirmed that it was not interested in the retail sales end of the business, but the sale of directorships, supervisors and distributorships (in other words the, building of the "Pyramid") were definitely of concern.

On August 24, 1971, the Commission issued a restraining order prohibiting Koscot from trading in distributorships for a period of two years. (See copy attached)

On October 6, 1971, the regional retail co-ordinator of Koscot submitted a new application to operate the subject premises as a distribution centre to supply their direct sales representatives with cosmetics and hair goods with training facilities and general administration as an accessory use. Mrs. V. Anderson, Koscot's representative supplied the License Department with a letter stating the operation would be confined to distribution and retail sales meetings only.

This appears to be in keeping with the Securities Commission's order. Unless Council objects, the Chief License Inspector will issue the license.

ITEM 8
MANAGER'S REPORT NO. 67
COUNCIL MEETING Oct. 18/71



870, 777 HORNBY STREET
VANCOUVER 1, BRITISH COLUMBIA
TELEPHONE: 684-9311

BRITISH COLUMBIA SECURITIES COMMISSION

IN THE MATTER OF THE SECURITIES ACT, 1967

AND

IN THE MATTER OF KOSCOT INTERPLANETARY OF CANADA LIMITED
PETER HEISSLER AND STEPHEN DOLINSKI


Order Pursuant to Section 77A

WHEREAS Koscot Interplanetary of Canada Limited has been and is now engaged in the sale and issue of distributorships to the public in the Province of British Columbia;

AND WHEREAS pursuant to notice dated the 12th day of March, 1971, a hearing was held on the 10th day of August, 1971 to determine whether the Commission should consider it to be in the public interest to issue an Order prohibiting Koscot Interplanetary of Canada Limited and others from trading in securities of Koscot Interplanetary of Canada Limited, at which hearing evidence was given on behalf of Koscot Interplanetary of Canada Limited which was represented by counsel;

NOW THEREFORE, the Commission considering it to be in the public interest so to do, HEREBY prohibits Koscot Interplanetary of Canada Limited from trading in distributorships issued by it for a period of two (2) years from the date hereof.

Dated at Vancouver, B. C. this *24th* day of August, 1971.


Deputy Superintendent of Brokers



1971 MARKS THE 100TH ANNIVERSARY OF THE ENTRY OF BRITISH COLUMBIA INTO CANADIAN CONFEDERATION ON JULY 20, 1871.

1871
1971