



# News Release

**December 3, 2003**

## **Insider Trading Results in Loss of Professional License**

**Edmonton** – Glen Harper of Calgary, a former professional geologist and president and director of Golden Rule Resources Ltd., has been found guilty of unprofessional conduct. As a result, his license as a Professional Geologist has been revoked and he must pay the full costs of his disciplinary hearing.

The Ontario Superior Court of Justice found Harper, who has degrees in geology and economics plus over 30 years of experience, guilty of insider trading. It sentenced him to prison and imposed a fine. Subsequently, the Discipline Committee of the Association of Professional Engineers, Geologists and Geophysicists of Alberta found him guilty of unprofessional conduct and revoked Harper's professional license.

In 1997, Harper acted in a way that was unprofessional and against the best interests of the public and the profession. He sold over 400,000 shares of Golden Rule Resources for over \$4 million with the knowledge that assay results from soil samples in a Ghanaian gold prospect indicated low levels of gold. Previous assay results that had indicated higher levels had been made public by Harper.

Ensuring the public safety and well-being of Albertans has been APEGGA's mandate since 1920. With 40,000 members, APEGGA is responsible for regulating the practice of engineering, geology and geophysics in Alberta. APEGGA's authority is derived from a statute of the province of Alberta, The Engineering, Geological and Geophysical Professions (EGGP) Act. Under the EGGP Act, licensure with APEGGA is required to practice engineering, geology or geophysics in Alberta. APEGGA's Discipline committee is mandated by the EGGP Act to hear all complaints against members or permit holders and to take appropriate action, including cancelling an individual license or corporate permit to practice.

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Note: the decision is attached

**For more information, please contact:**

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**APEGGA**  
The Association of  
Professional Engineers, Geologists  
and Geophysicists of Alberta

No. 03-002-FH

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**APEGGA**  
**DISCIPLINE COMMITTEE**  
  
**DECISION**

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**Date of Hearing:** June 16, 2003  
**Date of Decision:** July 28, 2003

**IN THE MATTER OF** the Engineering, Geological and  
Geophysical Professions Act

- and -

**IN THE MATTER OF** the conduct of Glen Harper regarding the  
sale of shares of Golden Rule Resources Ltd.

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Cite as: Harper, Glen, No. 03-002-FH *re: Golden Rule Resources.*

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**HEARING PANEL**

Gerry DeSorcy, P.Eng., Chair  
 Mike Berezowski, P. Eng.  
 Allin Folinsbee, P.Geoph.

Panel Counsel

Dwayne Chomyn, Discipline Committee Counsel

**APPEARANCES**

Investigative Committee

Barry Massing, Investigative Committee Counsel  
 Leo Flaman, P.Eng.

Member

Did not appear in person and was not represented

**BACKGROUND**

In accordance with the provisions in the Engineering, Geological and Geophysical Professions Act, APEGGA's (the Association's) Investigative Committee suspended Mr. Harper's registration as a professional geologist in June 2002 pending a decision of the Discipline Committee.

On March 3, 2003, the Discipline Committee received a referral for a discipline hearing from the Investigative Committee. After attempting to obtain the availability of all necessary parties, a hearing date of June 16, 2003 was set.

On April 22, 2003, the Discipline Committee issued a formal notice of hearing and served copies on Mr. Harper and on the Investigative Committee, Mr. Harper being served by process server on April 23, 2003. At the same time, the Discipline Committee, according to its standard process for disclosure of documents, requested that the parties provide, to the Panel and to each other, copies of documents on which they intended to rely at the hearing.

On May 13, 2003, the Discipline Committee received documents from the Investigative Committee. No documents were received from Mr. Harper. All submissions were provided to the Panel on June 9, 2003.

**THE HEARING**

The hearing was held before the Panel at the Association's offices in Calgary on June 16, 2003. Mr. Massing represented the Investigative Committee. Mr. Harper did not appear, nor was he represented.

## THE CHARGES (ALLEGATIONS)

As noted in the notice of hearing and corrected by Mr. Massing at the hearing, the matters to be decided, as brought by the Investigative Committee before the Panel, are:

1. That between January 3, 1997 and May 6, 1997, being a person in a special relationship with Golden Rule Resources Ltd., Glen Harper sold securities, being 424,702 shares of Golden Rule Resources Ltd., for the sum of \$4,042,469.50, with knowledge of material fact that had not been generally disclosed, such facts being Glen Harper's receipt and deliberate withholding of unfavorable sample results.
2. That Glen Harper's conduct in the foregoing respects constitutes unprofessional conduct in that:
  - a. It is detrimental to the best interests of the public,
  - b. It harms or tends to harm the standing of the profession generally,
  - c. It is in breach of the APEGGA Code of Ethics, including Rule of Conduct #10.
3. That Glen Harper failed or neglected to respond to a Notice to Produce Documents served on him March 12, 2002, in compliance with Section 49 of the Engineering, Geological and Geophysical Professional Act, as well as Bylaw 32.1, thereby constituting unprofessional conduct.

## FINDINGS AND REASONS

The hearing was opened at 9:00 a.m., the time stated in the notice, and then adjourned in case Mr. Harper or his representative was late. After some 25 minutes, the hearing proceeded without Mr. Harper being present.

Mr. Massing presented to the hearing two judgments from the Ontario Court of Justice (dated July 21 and September 18, 2000) and one judgment from the Ontario Superior Court of Justice (released January 7, 2002). The first two decisions found Mr. Harper guilty of insider trading, sentenced him to prison and imposed a fine. The Superior Court dismissed Mr. Harper's appeal, but reduced the length of the prison sentence and reduced the amount of the fine.

At the request of Mr. Massing, the Panel accepted the Ontario Court decisions as statements of facts as related to Charge 1 as presented by the Investigative Committee.

With respect to the specific charges raised in the notice of hearing, the Panel, on the basis of the Ontario court decisions, finds that Mr. Harper did sell securities with knowledge of material fact that had not been generally disclosed, and that indeed, Mr. Harper had deliberately withheld. Mr. Harper was the founder of Golden Rule Resources Ltd. ("Golden Rule"), and the President and a Director of the company. Golden Rule had a gold prospect in Ghana, and prior to January 1997, the company had released assay results from soil samples showing a high level of gold (1 gm/ton). On January 2 or 3, 1997, Mr. Harper received the assay results for approximately 800

more soil samples. These new samples had low levels of gold. Mr. Harper did not release the results of these assays to the public, but he did release the results of the positive assays received at the same time. In March 1997, Mr. Harper received the results for an additional 37 samples, and these showed low gold levels. Again, he did not release these results. During the period January 3 to May 6, 1997, he sold 424,704 shares of Golden Rule stock for the sum of \$4,042,469.50. The Panel considers this a very serious offense that impacted on public investors and was clearly detrimental to the best interest of the public.

Mr. Harper holds degrees in geology and economics, has some 30 years of related experience, and was described in a Golden Rule proxy management circular as a “self employed professional geologist”. As such, the Panel finds that his conduct in this matter is harmful to the profession. It also finds that such conduct is in breach of the APEGGA Code of Ethics in that Mr. Harper failed to have any regard for, or to act fairly towards, the investing public.

As noted, Mr. Harper did not respond to a notice to produce documents as served on him by the Investigative Committee. Indeed, he did not participate in any part of the APEGGA process and appeared to ignore it totally. This is particularly disturbing to the Panel.

APEGGA is an association of professionals. One of the important hallmarks of a profession is self-governance. APEGGA is empowered by legislation to discipline its members. It does so through a process that was developed and is conducted by the membership. This “self-governance” is both a privilege and an important responsibility that the Association and the members of the Discipline Committee take seriously. The discipline process developed and used by the APEGGA members assumes that the broad membership, including those being investigated, also take seriously the responsibilities of a self-disciplining professional organization. To do otherwise, could place at risk, the privilege of self-governance given to the Association.

## **THE ORDERS**

Given that Mr. Harper did not attend the hearing nor participate in the process, the Panel decided to hear representations with respect to sanctions that might be imposed if the Panel were to find that Mr. Harper was guilty of unprofessional conduct. Mr. Massing made such representations on behalf of the Investigative Committee.

Having regard for its findings as set out above and Mr. Massing’s representations, the Panel orders as follows:

1. That Mr. Harper’s registration be cancelled.
2. That Mr. Harper pay to the Association the full costs of the hearing in the amount of \$3,612.94.
3. That this decision be published in the PEGG and that copies of the decision be sent to the major Calgary, Edmonton and Toronto newspapers, and to the Toronto Stock Exchange,

the Toronto Venture Exchange, the Alberta Security's Commission and the Ontario Securities Commission.

Dated this 28<sup>th</sup> day of July, 2003 at Calgary, Alberta.

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G. J. DeSorcy, P.Eng.  
Chair, Discipline Committee Panel