BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Case No. XY 09-CD-12

VERIFIED PETITION FOR ORDER TO SHOW CAUSE

IN THE MATTER OF BELIZE EQUITIES HOLDINGS, INC., WALTER INTERNATIONAL, INC., ERINE H. A. WALTER AND GERRY D. DYCK

Respondents

The Staff of the Colorado Division of Securities ("Staff") hereby petitions the Securities Commissioner to enter an order directing Respondents to show cause why a final cease and desist order should not be issued against them, and as grounds would show:

GENERAL ALLEGATIONS

1. Pursuant to §11-51-703, C.R.S. (2008), the Securities Commissioner is authorized to administer and enforce all provision of the Colorado Securities Act ("Act").

2. Section 11-51-102, C.R.S. (2008), provides, in pertinent part, as follows:

   (1)...section 11-51-301,...apply to persons who sell or offer to sell when the offer to sell is made in this state...;

   (3) For purposes of this section, an offer to sell ... is made in this state, whether or not either party is then present in this state, when the offer originates from this state or is directed by the offeror to this state and is received in the place to which it is directed...;

3. Section 11-51-201(17), C.R.S. (2008), provides, in pertinent part, as follows:

   (17) "Security" means any note; stock; investment contract ....

4. Section 11-51-301 C.R.S. (2008), provides that "[I]t is unlawful for any person to sell or offer to sell any security in this state unless it is registered under this article or unless the security or transaction is exempted ...."

5. Pursuant to §11-51-606(1.5)(a), C.R.S. (2008), whenever it appears to the Securities Commissioner, based on sufficient evidence presented in a petition by an officer or employee of the Division of Securities, that a person has committed

or may commit any of the acts or practices enumerated in §11-51-606(1.5)(b), C.R.S., the Securities Commissioner may issue an order to such person to show cause why a final order should not be entered by the Securities Commissioner directing such person to cease and desist from the acts or practices which constitute alleged violations of the Act, or to impose such other sanctions as may be appropriate.

6. Section 11-51-606(1.5)(b), C.R.S. (2008), provides, in pertinent part, that the Securities Commissioner may act under paragraph (a) of §11-51-606(1.5), C.R.S. with regard to the following acts or practices:

   (I) The sale of a security is subject to registration under this article and the security is being offered or has been offered or sold in violation of section 11-51-301...;

THE RESPONDENTS

7. Belize Equities Holdings also called Belize Equities, Inc. (respondent "BEH") is a sole proprietorship formed in Manitoba, Canada on November 13, 2008. BEH's business address is listed as 100-698 Corydon Avenue, Winnipeg, Manitoba Canada R3M 0X9.

8. Walter International Inc. (respondent "WII") is a corporation formed in Manitoba, Canada on October 14, 2008. WII's business address is listed as 100-698 Corydon Avenue, Winnipeg, Manitoba Canada R3M 0X9.

9. Ernie H.A. Walter, aka Ernie Walter (respondent "WALTER") is a male adult individual who lives at 874 Dorchester Avenue, Winnipeg, Manitoba Canada R3M 0R8. At all times relevant to this action, WALTER was a principal, officer, director and control person of BEH and WII.

10. Gerry D. Dyck (respondent "DYCK") is a male adult individual who works for WALTER at 100-698 Corydon Avenue, Winnipeg, Manitoba Canada R3M 0X9.

ALLEGATIONS

11. In January of 2009, the staff of the Colorado Division of Securities ("STAFF") learned of a real estate investment opportunity through an advertisement in the business section of the Denver Post newspaper.

12. The advertisement ran on January 11, 2009 and read "Investments- Retire Smart- Purchase a sea front Caribbean lot, San Pedro Belize for $40,000 USD and earn rental income over $32,000 USD over next 5 years or swap it for a $500,000

condo and own clear title in 10 years from the rental income. Retire Smart www.belizeequities.com 1-877-281-4666

13. On January 26, 2009, a member of the STAFF responded to the advertisement as a Colorado investor (hereafter "investor"). The investor sent an e-mail inquiry regarding the investment in Belize.

14. On January 27, 2009, an e-mail was received back from Gerry D. Dyck ("DYCK") who was the Director and Project Management for BEH.

15. DYCK indicated to the investor that his boss, Ernie H. A. Walter ("WALTER") is an architect who was currently in Belize. DYCK did send photo attachments of future real estate projects in Belize.

16. On February 12, 2009, DYCK sent another e-mail to the investor which had the name and telephone number of two (2) BEH investors of which one (1) was located in Colorado. This had been at the request of the investor via a telephone call. The STAFF has been unsuccessful in contacting that person.

17. On April 3, 2009, the investor sent DYCK an e-mail requesting he send paperwork regarding the investment.

18. On April 6, 2009, an e-mail was received from DYCK which had two (2) attachments regarding the Belize investment. One document was titled "Cash Flow Sample With Lot Purchase Agreement" and the other document was titled "Example of a Preferred Purchasers Opportunity if 2 lots are purchased."

19. On April 8, 2009, the investor made a telephone call to 1-204-284-6811; a female answered the phone stating "Walter International." The investor asked to speak DYCK.

20. DYCK said BEH was in the business of real estate development and construction in Belize.

21. DYCK said for a minimum investment of $40,000 he could guarantee a 16% rate of return for the next five (5) years. At the end of five (5) years the investor would receive their total principal back plus have $32,000 in interest. Additionally, at the end of five (5) years, the investor would then have a clear title to the property.

22. The investor said they were not an accredited investor, as stated on the BEH website. DYCK replied that it did not matter.

23. DYCK said the $40,000 investment would be pooled with nine (9) other investors for a total of $400,000 which would be used to develop land and start construction on condominiums in Belize.

24. DYCK said the investor would not have to do anything to see the return on the investment. It was up to BEH to find renters for the condominiums.

25. DYCK claimed BEH was an umbrella company under Walter International, Inc., and had been in business for six (6) years.

26. DYCK's title was Project Manager and WALTER was in charge. WALTER is the owner and architect for both WII and BEH. DYCK claimed he was not paid a commission but he had personally invested in the BEH.

27. DYCK said WALTER had purchase 180 acres of land in Belize. DYCK said he and two (2) others were raising funds from the public since the banks in Belize are very slow at making loans. DYCK said they were advertising in Miami and Houston as well as Denver.

28. DYCK said if the investor brought in others to invest in BEH, that investor would be paid $2,000.

29. DYCK said BEH was raising a total of $940,000 for Phase 1 of the BEH project and another $940,000 for Phase 2 of the BEH project.

30. DYCK said the company attorney, [redacted] had purchased three (3) units in Belize.

UNREGISTERED OFFERING OF SECURITIES

31. The Investments offered and sold by Respondents are "securities" under the Act in that they are "investment contracts" as defined in §11-51-201(17), C.R.S. (2008).

32. By engaging in the conduct described in this Petition, the Respondents have made and are currently making "offers" or "sales" of securities in and from the State of Colorado pursuant to §11-51-201(13), C.R.S., (2008).

33. At the various times the Respondents have made such offers or sales, the securities offered were neither registered, nor exempt from registration, as required by §11-51-301, C.R.S., (2008).

34. By engaging in the conduct described above, Respondents are offering and selling unregistered securities in violation of §11-51-301, C.R.S. (2008), by virtue of §11-51-606(1.5) (b) (I), C.R.S.

WHEREFORE, the Staff respectfully requests the Securities Commissioner enter an order directing Respondents to show cause why a final order should not be entered by the

Securities Commissioner prohibiting Respondents from offering and selling securities in Colorado, or, in the alternative, directing Respondents to cease and desist offering and selling securities in Colorado in violation of the Act, and further, as a condition of such order, require the Respondents, jointly and severally, to repay Colorado investors the entire amount of their investments, within thirty (30) days of entry of the final order by the Securities Commissioner, and for such other terms and conditions as the Securities Commissioner deems appropriate under §11-51-606(1.5)(d)(IV), C.R.S. (2008).

FOR THE STAFF OF THE
COLORADO DIVISION OF
SECURITIES

Rhea Babcock

Rhea Babcock, Investigator

Subscribed and sworn to before me this 4th day of ~~April~~ MY, 2009.

My commission expires My Commission Expires 11/06/2012

Rosi Quintana

Notary Public