

British Columbia and Manitoba securities commissions warn Canadians about a “re-victimization” scheme

The **British Columbia Securities Commission (BCSC)** and the **Manitoba Securities Commission (MSC)** are warning investors who may have lost money by investing in York-Rio Resources Inc. that they could be targets of a 'recovery room' or 're-up' investment scheme. The BCSC and MSC have learned that an organization identifying itself as Featherstone and Bellman Equity Exchange Group (a.k.a. FAB Equity Exchange Group), purportedly based in Mexico, is contacting York-Rio investors. There are approximately 160 B.C. and more than 50 Manitoba residents that own York-Rio securities who may be contacted.

On Sept. 15, 2010, the **Ontario Securities Commission (OSC)** issued a warning about the FAB Equity Exchange Group. According to the OSC warning, FAB Equity Exchange Group representatives are contacting investors who hold York-Rio securities and are offering to sell the securities at a substantial premium. The York-Rio investors are required to send an advance fee payment to FAB Equity Exchange Group representatives before their securities can be sold.

Securities commissions in Manitoba, British Columbia, **Alberta**, **Saskatchewan** and Ontario have issued orders to cease trade York-Rio Resources Inc. On Sept. 24, 2009, the BCSC and the MSC issued an investor alert about a company called Penn Capital Management Ltd. That company also contacted York-Rio investors with an offer to repurchase shares in what appeared to be a 'recovery room' or 're-up' scheme.

In a 'recovery room' or 're-up' scheme, victims of investment schemes are offered inflated prices for their shares. Once the investor agrees to sell their shares, a contract is drawn up and the investor is instructed to wire a sum of money to an offshore bank account to cover business costs. The perpetrators withdraw the money that is sent to the offshore account and the victim loses money a second time.

If someone contacts you about selling your York-Rio shares, you should immediately notify your local securities regulator and ask to speak to an investigator. Other companies may be making the same offer.

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