



THE GYROLOG

THE GYRO CLUB OF EDMONTON

Club Charter No.15, July 29, 1921

**President-Sam Gruden, Past President-John Boyd,
Vice-President-John Mann, Secretary-Barry Walker, Treasurer-Gary Campbell,
Directors-Cliff French, Ari Hoeksema, David Dyck, Len Stevens
Database Administrator-John Ross, Gyrolog Editor-Fred Schulte**

JULY 2013

Those celebrating their birthdays in July are **John Mann** on the 2nd and **Leon Lubin** on the 18th. Those celebrating their wedding anniversaries are **Jack and Myrna Slobodan**, 48 years on the 3rd; **Ken and Arden Korchinski**, 49 years on the 11th; **Barry and Valerie Walker**, 43 years on the 11th; **Jack and Joyce Brown** 13 years on the 15th; **Len and Barbara Stevens**, 55 years on the 26th and **John and 'Mim'-Bertsch Mann**, 13 years on the 28th.

FIRST POSTING

Robert (Rob) McLeod has applied for membership in our club. **Rob** and his wife **Marilyn** reside at **9924-187 Street, NW, T5T 1S3**. Their telephone number is **780-235-4866** and email address is **mcleod555@telus.net** **Rob** is owner of **RM McLeod Inc.**, a commercial cleaning service. He is also a published author and enjoys soccer and golf. **Rob** is proposed by **Ari (Dutch) Hoeksema** and **Fred Schulte**.

President Sam Gruden welcomed 38 Gyros and four guests to our July 9th luncheon meeting held at the Royal Mayfair Golf Club. President Sam led the group in the singing of Cheerio and **Jim Lochhead** gave the Grace.

Peter Morrison introduced his guest **George Bawden** and **Val Pohl** introduced his son's **Ken** and **Darren**. New member applicant, **Rob McLeod** was also in attendance.

Past District Governor, Marty Larson welcomed **Cec Butt** in his induction as the newest member in our club. Marty spoke of the history of our club dating back 92 years and the founding commitment to children with the development of Gyro Playgrounds. **Ari Hoeksema**, as sponsor was charged with helping Cec understand his role and responsibilities in the club. Cec agreed to uphold the constitutions of Gyro International, District VIII and the Gyro Club of Edmonton and was officially inducted into the club.



Ari Hoeksema

Cec Butt

Marty Larson

Peter Morrison introduced our guest speaker **Eric Spink**, a member of our club since 2005. Eric completed his law degree at the University of Alberta in 1978 and was admitted to the Alberta Bar in 1979. From 1979 to 1988, he was in the private practice of law in Edmonton. In 1988, Eric became Director of Market Standards with the Alberta Securities Commission (ASC). In 1990, he became Counsel with the Alberta Law Reform Institute at the University of Alberta. In 1994, he also became an instructor of Law 499-Plain Language. In 1995, Eric was appointed a part-time Member of the ASC. In 1997, he was appointed a full-time member of the ASC and Vice-Chair in 1998.

From 2003 to 2006, Eric returned to the private practice of law in Edmonton, but also provided consulting services to the Ontario Securities Commission and to the Alberta Ministry of Finance on securities regulation and reform. From 2006-2010, he worked for the Alberta Department of Finance and Enterprise in the areas of financial sector regulation and policy and capital markets policy. Since May 2010, Eric has returned to private law practice but has also provided counsel to the Government of Alberta in the references re: the constitutionality of the proposed federal Securities Act.

Eric indicated that **securities markets have existed for a thousand years** and that the first licenced stockbrokers were created in England in 1285. In 1720, the English Bubble Act was passed to deal with the South Seas Company pyramid scheme where individual shares got as high as 1000 pounds (in 1720 values). The first securities legislation was enacted in North America with the State of Kansas Blue Sky Laws. Manitoba passed the first securities regulation in 1912 and **Alberta followed in 1916.**

As a result of the crash of the stock market in 1929, the United States Government set up securities legislation in 1934. The Federal Government has attempted to set up a Canadian Securities Commission since the 1940's but has been challenged by the provinces on constitutional grounds. In 1977, the first Securities Commission was created in Alberta.

Canada, Alberta and the other provinces have some of the best securities legislation in the world. Regulators do not regulate the market but attempt to foster a free market system. Regulators do not assess the merit of a stock or security. High risk investments are allowed because many people want them. In Canada, enforcement of criminal activities such as fraud are investigated by police agencies. Security regulations provide administrative sanctions.

The United States is unusual in its approach to enforcement of securities as opposed to almost all other countries in the world. In Canada, the maximum jail sentence for fraud is 14 years while in the U.S.A. it is life or 5-99 years. Insider trading in Canada carries a maximum of 10 years prison while in the U.S., it is 20 years and a \$5 million fine. Criminal Code investigations in Canada are very rare. There are no Grand Juries in Canada; in the U.S. , Grand Juries don't allow legal counsel and the defendant must answer all questions or they face jail time. In Canada, people do not have to answer questions from police agencies without legal counsel.

It is impossible to prevent fraud based on deception! The sense of caution is lost when people see big financial returns. Higher returns equal higher risk. **If it is too good to be true, it isn't true.**

The question of a **National Regulator** was asked. You can now file a security prospectus in any province and it is good in the rest of Canada and in many cases in the U.S.A. It is cheaper to raise capital in Canada than in the U.S. Oil and Gas Disclosure regulations were developed in Alberta and late adopted in the U.S.A. The National Regulator Proposal is still on the table but it is not likely to happen. It is all about control and the constitutional challenges have been going on for a long time.

Eric made reference to a book that was published in 1841 by Charles Mackay, entitled: [Extraordinary Popular Delusions and the Madness of Crowd](#) which deals with securities fraud.

Peter Morrison thanked Eric for an excellent presentation using layman terms.

The Free Lunch draw was won by **Gary Campbell** for the second time in a row!

Roger Russell was inducted into our club 30 years ago in July 1983 and was sponsored by Marty Larson. He served as Club President in 1990-91 and is our 6th longest serving member. Congratulations Roger!

President Sam Gruden welcomed 34 Gyros and our guest speaker to the July 23rd luncheon meeting held at the Royal Mayfair Golf Club.

David Dyck introduced our guest speaker **Alfred Nikolai, President and CEO of Habitat for Humanity Edmonton.** Alfred, having gained 30 years of experience in both fund and organization development in government, Fairview College and the

Northern Institute of Technology was a natural fit when he became President and CEO of Habitat Edmonton in 2005. Since that time Habitat Edmonton has seen tremendous growth in both organizational capacity and in public awareness. Initiatives under his leadership have included: securing Provincial Government funding, Habitat day in the Capital region (in which home builders gift houses to Habitat, 19 homes over 4 years), establishing a partnership with the Elizabeth Métis Settlement, and the prolific Net Zero Energy Precast Concrete home partnership with Lafarge and Stantec among others.

In 2012 Alfred received the Larry Shaben Award for Outstanding Leadership in the Housing Sector. In January 2013, he was appointed to a three year term to the newly established Alberta Interagency Council on Homelessness.

Alfred stressed that **Habitat's motto is "building homes, building hope"**. Their mission is to provide safe, decent, affordable housing. The greatest obstacle for most people is the financial cost. Making houses affordable is the key reason for Habitat's success. In 2005, Habitat Edmonton was building 3-4 homes per year. By 2012 that number had increased to 56 with more than 80 projected to be completed this year.

To be eligible for Habitat ownership, a family must have an annual income of at least \$32,000 but not more than \$56,000. The down payment comes in the form of 500 hours of "sweat equity". There is no interest charged on their mortgage with annual payments set at 25% of annual income. When a Habitat owner wishes to move to a new home, the existing home is taken back by Habitat for the amount of equity built up and the home is then made available to a new recipient. In this way more and more houses are made available and affordable.

There is tremendous joy whenever keys are handed over to new owners, who invariably say when asked a year later that **what they most appreciate is the "glory of the sleepover"**. For the first time their children can invite their classmates and their neighbourhood friends to stay overnight with all the wonderful bonding that entails.

Alfred made it clear that, unlike most charities, all donations to Habitat go 100% to the building program. Administrative costs are financed separately through the three Restores (2 in Edmonton 1 in Grand Prairie).

There are many ways to contribute to Habitat: donating furniture and materials which Habitat will pick up, working one day on one of the many "builds", shopping at the Restore, or volunteering to serve in their office or on one of their selection committees.

Ken Willan thanked Alfred for a very informative presentation, stressing how much he deserves credit for one of Edmonton's "great success stories".

Forty one dollars in Canadian Tire money was collected from the members and donated to Habitat Edmonton.

Eric Spink was the winner of the free lunch draw.

Thanks to **Ken Willan** and **Gary Campbell** for providing their notes for the July 23rd meeting!

Gary Campbell, Treasurer presented the **Financial Statements for the Year Ended March 31, 2013**. On a motion by **Mike Matei** and seconded by **John Stroppa**, the financial Statements were approved as presented.

Gary also presented the proposed **General Fund Budget for the Year Ending March 31, 2014**. On a motion by **Mike Matei** and seconded by **John Mann**, the proposed budget was approved as presented.

UPCOMING EVENTS

Gyro/Gyrette Mixed Event, Tuesday, August 20th, Muttart Conservatory, 9626 96A Street

Feature Pyramid Show: **Sword in Stone**

One hour tour starts at 11:00 am

Tour cost: \$8:00/ person

Lunch is available at **Culina's** but the restaurant is small and individual bookings will be required.

Contacts: Cliff French and Chuck Gerhart

Gyro/Gyrette Corn Roast and Bocce, Tuesday evening, September 3rd

Malmo Community Hall, 11525-48 Ave.

Time: Bocce 4:00 pm, Dinner 6:30 pm

Corn, Chicken, Salad and Dessert

Cost: \$15 per person, cash bar for beer and wine.

Contacts: Roger Russell, David Burnett and Friends

Regular Tuesday Luncheon Meeting, September 17th

Speaker: Tom Clarke, Transportation Engineer, retired with four decades of experience with UMA Engineering.

Topic: Solutions to Uncontrollable Project Delays and Cost Escalations. Mr. Clarke will describe the Design-Build-Finance-Operate (DBFO) and Design Build (DB) processes which were developed and used for the Anthony Henday Drive, Edmonton Ring Road projects.

Contacts: Ken Korchinski and Allan Douglas