

CANADIAN SECURITIES ADMINISTRATORS

Canadian Securities Administrators

About the CSA

The CSA is the council of the 10 provincial and three territorial securities regulators in Canada. The mission of the CSA is to facilitate Canada's securities regulatory system, providing protection to investors from unfair, improper or fraudulent practices and to promote fair, efficient and transparent capital markets, through the development of harmonized securities regulation, policy and practice. The CSA seeks to streamline the regulatory process for companies that wish to raise capital and individuals and companies working in the investment industry. While most enforcement activity is conducted locally, CSA members also coordinate multi-jurisdictional investigations and share tools and techniques that help their staff investigate and prosecute securities law violations that cross borders.

▶ RESPONSIVE

Responsive enforcement acts quickly and appropriately to identify, investigate and initiate proceedings in cases of misconduct.

▶ COLLABORATIVE

Collaborative enforcement prevents misconduct from spreading across borders and promotes efficiency within and across jurisdictions.

▶ EFFECTIVE

Effective enforcement strengthens public confidence in Canadian capital markets.

Message From The Chair



Bill Rice
Chair, CSA

Deterring securities violations, protecting investors and fostering fair and efficient capital markets in Canada via the enforcement of provincial and territorial securities laws are core responsibilities of the regulators that make up the Canadian Securities Administrators (CSA). While members of the CSA lead investigations and initiate enforcement actions in their own jurisdictions, their participation in the CSA enables collaboration among jurisdictions and the exchange of information regarding enforcement trends, initiatives, best practices and priorities.

Collaboration and cooperation are vital elements of the CSA's enforcement mandate. CSA members maintain constant contact with each other, seeking and offering advice on files, providing assistance and conducting joint investigations. They maintain a commitment to enforcement by sharing information and ensuring that current and emerging trends in securities misconduct help inform each member's enforcement priorities.

Members also work collaboratively on an international level through the International Organization of Securities Commissions (IOSCO) and the North American Securities Administrators Association (NASAA), and domestically with self-regulatory organizations (SROs) such as the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada, as well as through local, national and international law enforcement agencies.

Ontario, British Columbia, Alberta, New Brunswick, Québec and Manitoba work in partnership with law enforcement agencies in their respective jurisdictions and these partnerships allow misconduct to be targeted more forcefully by moving under the *Criminal Code*. Our members collaborate with law enforcement on joint investigation teams and intelligence units. These integrated teams allow for efficient intelligence gathering and have achieved a high rate of success in prosecuting misconduct in court.

In 2013, the Ontario Securities Commission (OSC) created a partnership with the Royal Canadian Mounted Police (RCMP) Financial Crime Program and the Ontario Provincial Police Anti-Rackets Branch. The OSC Joint Serious Offences Team's investigation of Keith Summers for fraud led to a jail sentence of three years for the accused and an order to pay US\$4.33 million in restitution.

In Québec, the Autorité des marchés financiers has enforcement partnerships with the Sûreté du Québec's Financial Crime Market Unit and the RCMP's Integrated Market Enforcement Team. Similarly, the British Columbia Securities Commission has partnered with local law enforcement to investigate criminal violations since 2007.

CSA members often share information and conduct joint investigations that cross provincial and international boundaries to identify and target securities law violators that operate in multiple jurisdictions.

In the Forex Capital Markets LLC case, the Manitoba Securities Commission and the Financial and Consumer Services Commission of New Brunswick worked collaboratively to investigate a case that involved a large-scale illegal distribution that targeted investors in both provinces. Together, the jurisdictions coordinated joint hearings that allowed the respondents to participate in one venue while enabling each tribunal to exercise its own decision-making powers.

In The Investment Mortgage Exchange Corporation case, Douglas Wayne Schneider was arrested in California as a result of the efforts of the Alberta Securities Commission (ASC) and Alberta Justice, and held in custody pending extradition to Alberta. Earlier in the year, Schneider had failed to appear in the Provincial Court of Alberta in connection with charges laid against him by the ASC. The ASC worked with a variety of agencies including the RCMP, the Department of Justice (Canada), the United States Department of Justice and the United States Marshals Service to successfully extradite Mr. Schneider.

Working collaboratively, both among CSA members and with external organizations, is essential to maintaining strong, secure and fair capital markets in Canada. All members of the CSA play an important role in this shared effort. As we move forward, the CSA is committed to staying ahead of emerging misconduct trends and working together to protect investors.



Bill Rice
Chair, CSA

Key Players in Enforcement

In Canada, a number of laws and rules govern capital markets and market participants, with different agencies enforcing these laws and rules. Each agency fulfills a different role in the overall regulation of capital markets. CSA members administer and enforce the securities legislation in each jurisdiction, whereas criminal authorities enforce the *Criminal Code*.

The Canadian Securities Market

Market Capitalization ¹	\$ 2.58 trillion
Total Issuers ²	4,394
Total Registrants (firms) ³	2,884
Total Registrants (individuals) ³	124,475
Registered Plan Assets ⁴	\$ 1.3 trillion
Pension Fund Assets ⁴	\$ 1.6 trillion
Total Financial Wealth ⁴	\$ 3.4 trillion
Size of Exempt Market ⁵	approx. \$150 billion

1 Data from the TMX Market Intelligence Group Report for September 2014 (includes only equity).

2 For 2014, total issuers was calculated by adding the number of reporting issuers in the jurisdiction that is their Principal Regulator, as at December 31, 2014, across the CSA. Number of issuers does not include investment fund issuers or cease-traded issuers.

3 Data compiled from the National Registration Database (NRD). Firm data includes registered and exempt firms. The data for individuals includes registered individuals and permitted individuals.

4 Data from Investor Economics, Household Balance Sheet, through December 2013. Pension fund assets include CPP and QPP. Registered plan assets include assets in RRSPs, DPSPs, TFSAs, RDSPs and RRIFs.

5 Data from reports of exempt distribution filed in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia for investments made by Canadian resident companies, institutional investors, investment funds and individuals using prospectus exemptions in 2012. The figure includes only investments made under five of the available prospectus exemptions that trigger reporting requirements under securities laws.

Securities Laws and Regulators

Securities laws in each province and territory provide the legal foundation for regulatory requirements related to the capital markets. Securities laws also include any regulations or rules under each *Securities Act* and any blanket rulings, orders and decisions issued by securities regulators. Securities laws impose responsibilities on issuers, registrants and other market participants.

An effective regulatory enforcement regime is rooted in strategies that focus on protection and the prevention of harm to investors. CSA members, as securities regulators, investigate suspected securities-related misconduct, such as breaches of obligations by registrants with respect to clients, illegal sales of securities, or other securities law infractions.

Securities regulators may bring allegations of securities misconduct to a hearing before an adjudicative panel of a securities commission or an associated tribunal. Securities legislation authorizes CSA members to seek administrative sanctions for securities-related misconduct, including monetary sanctions and prohibitions on market participation or access. Such sanctions are intended to deter misconduct and to protect investors from harm.

Securities legislation also establishes quasi-criminal offences for contraventions of regulatory requirements and prohibitions of certain activities related to the capital markets. Penalties for committing these types of offences can include a term of imprisonment and a significant fine. In some jurisdictions, staff may directly prosecute such cases in court. In others, securities regulators may refer cases of certain quasi-criminal offences to Crown counsel for prosecution in the courts. CSA members have no authority to order a term of imprisonment; this can only be done by a judge.

Criminal Code and Law Enforcement Agencies

The *Criminal Code*, a federal statute, establishes both specific securities-related criminal offences (such as market manipulation), and more general economic crimes (such as fraud) that could also capture some securities-related misconduct. Penalties imposed by the courts for criminal offences are intended to, among other things, punish those persons who have committed securities-related misconduct. Penalties for committing offences can include a lengthy term of imprisonment and a significant fine under the *Criminal Code*. The pursuit of an offence under the *Criminal Code* requires charges to be laid by law enforcement or the Crown. The prosecution is then pursued by Crown counsel.

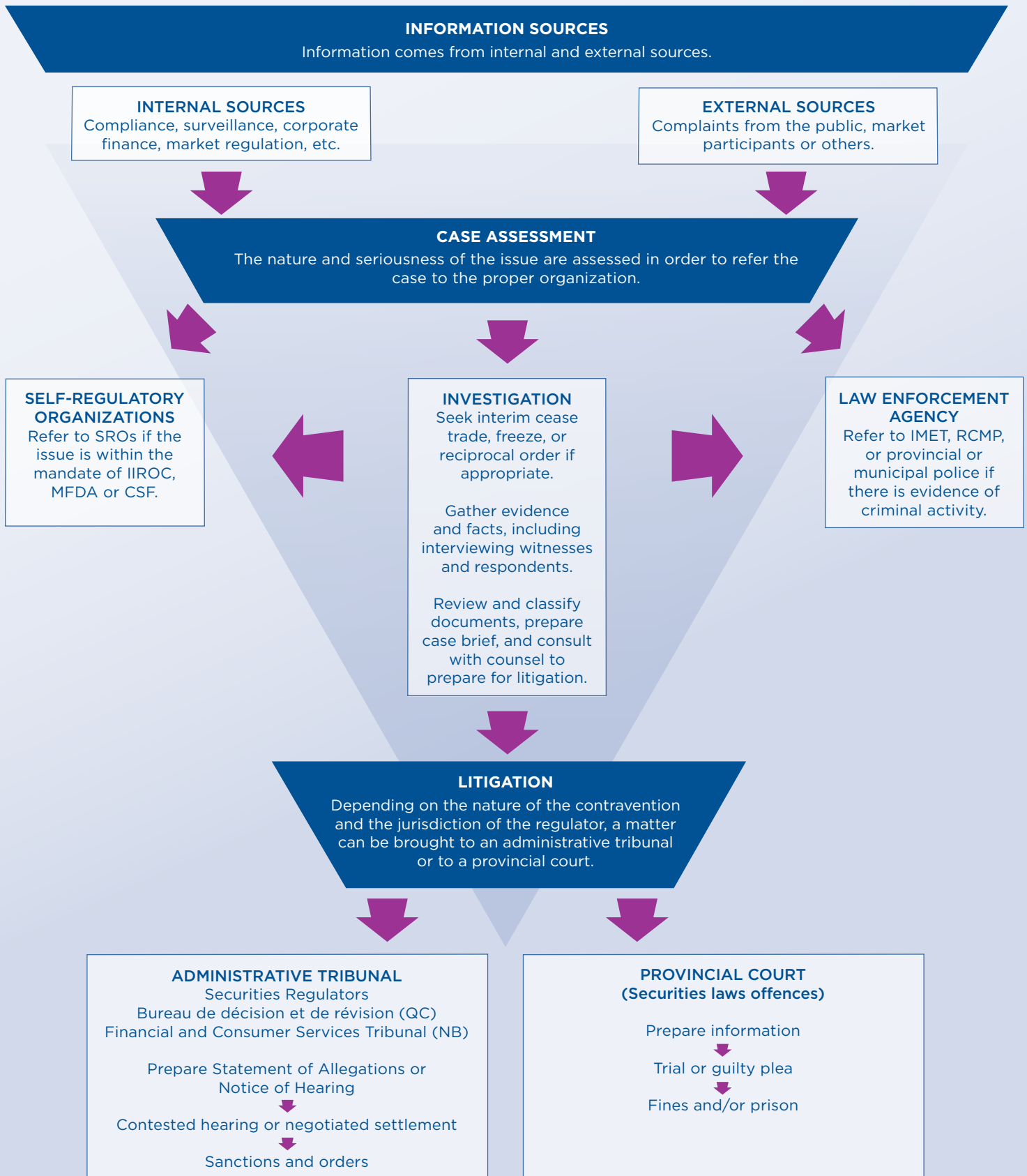
CSA members collaborate with law enforcement agencies on a regular basis and staff from certain members provide expertise, such as forensic accounting and specific knowledge of the capital markets, to joint investigations with police into alleged violations of the *Criminal Code*. The British Columbia Securities Commission's Criminal Investigations Team cooperates with the Provincial Crown Prosecution Service to prosecute individuals suspected of committing offences under the *Criminal Code* and *Securities Act* (B.C.). Québec's Autorité des marchés financiers has enforcement partnerships with the Sûreté du Québec's Financial Crime Market Unit and the RCMP. The Joint Serious Offences Team of the Ontario Securities Commission is a partnership with both the RCMP Financial Crime program and the Ontario Provincial Police Anti-Rackets Branch to conduct joint investigations using provisions of the *Securities Act* (Ontario) and/or the *Criminal Code*. Collaborative investigations can lead to convictions under the *Criminal Code* and court-imposed sanctions, including jail terms.

Self-Regulatory Organizations

Canadian securities regulators have recognized self-regulatory organizations (SROs) to regulate investment dealers and mutual fund dealers, under the oversight of CSA members. The key SROs in Canada are the Investment Industry Regulatory Organization of Canada (IIROC), the Chambre de la sécurité financière (CSF) and the Mutual Fund Dealers Association of Canada (MFDA). SROs can discipline member dealers or their employees for breaching SRO rules. Sanctions include suspension or termination of membership or market access and monetary penalties.

The Enforcement Process

This graphic breaks down the securities enforcement process from identification of a potential securities breach through to sanction.



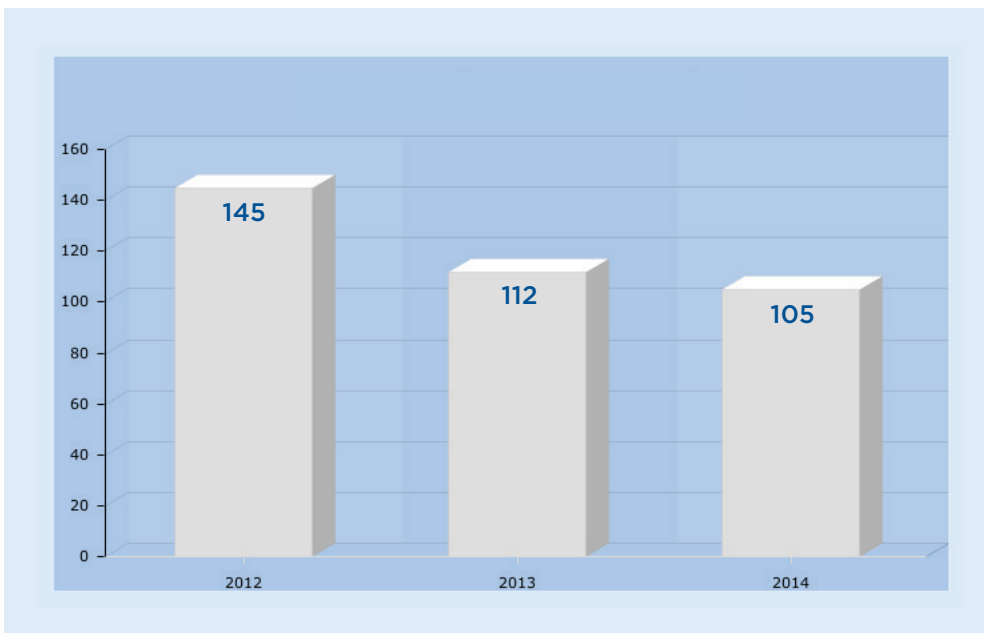
2014 Results

This section presents data in several enforcement categories. The results vary from year to year. Cases differ widely in their complexity and in the number of respondents and victims involved. The time required to conclude a case can range from a few weeks to a year or longer, with complex cases requiring substantial resources. These results should therefore be considered in aggregate; changes in one category are not necessarily a trend.

Proceedings commenced

Proceedings commenced are cases in which CSA member staff have filed a statement of allegations or sworn an Information before the courts (or served a statement of offence in Québec), any of which allege wrongdoing. Many of the proceedings commenced in 2014 were still underway at the end of the year, and in such cases, decisions have yet to be rendered. One proceeding, targeting an illegal distribution scheme, for example, might involve a number of respondents, including several individuals and one or more companies. The 105 total proceedings commenced in 2014 involve, in aggregate, 189 individuals and 92 companies. By comparison the 112 total proceedings commenced in 2013 included 160 individuals and 110 companies.

Proceedings Commenced



Respondents

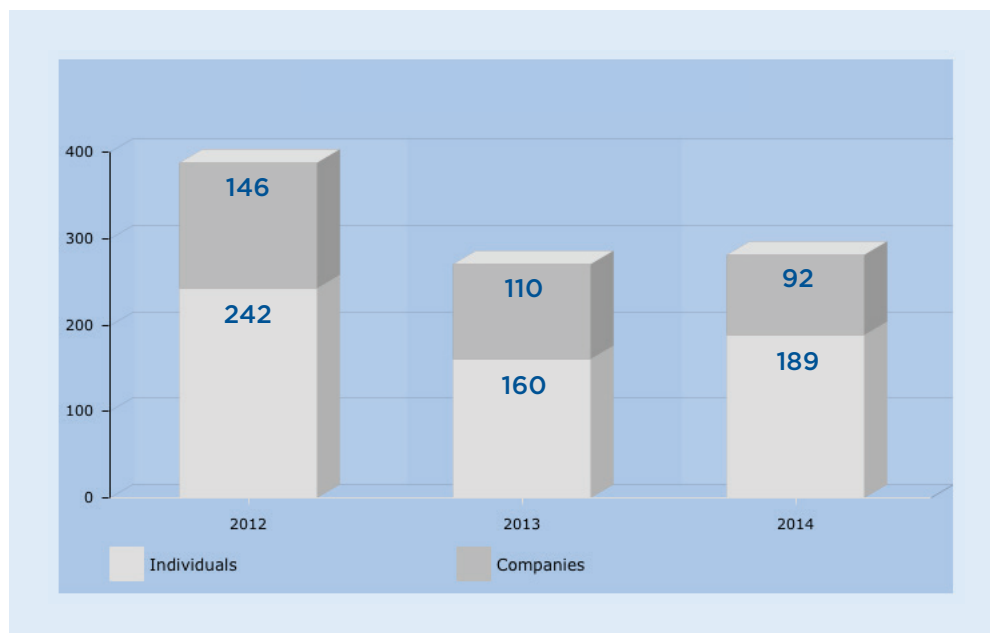
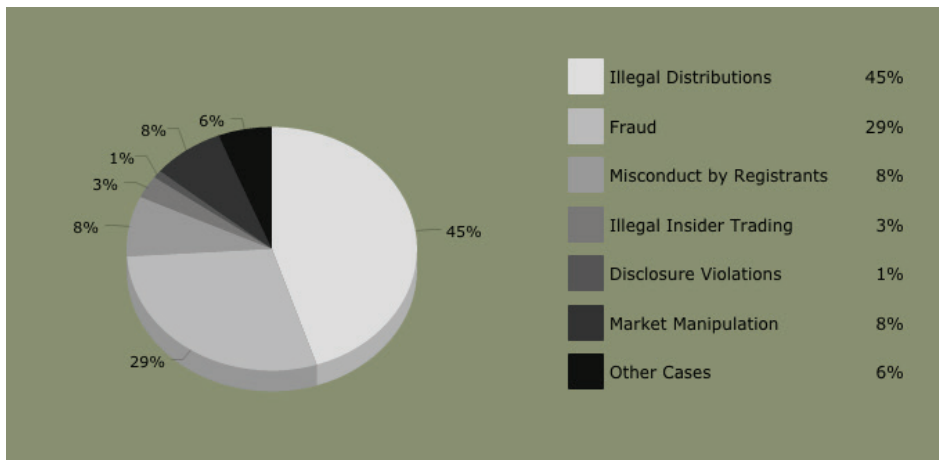


Table 1 below shows how proceedings commenced break down by category of wrongdoing over the last three years. The table considers both individual and company respondents. The pie chart gives a visual representation of the 2014 data, showing the proportion of activity in each category.

Table 1: Respondents by Category

Type of Offence	2012	2013	2014
Illegal Distributions	159	144	127
Fraud	113	56	81
Misconduct by Registrants	38	19	23
Illegal Insider Trading	19	13	7
Disclosure Violations	14	14	4
Market Manipulation	13	6	23
Other Cases	32	18	16
Total	388	270	281

Respondents 2014



Concluded Matters

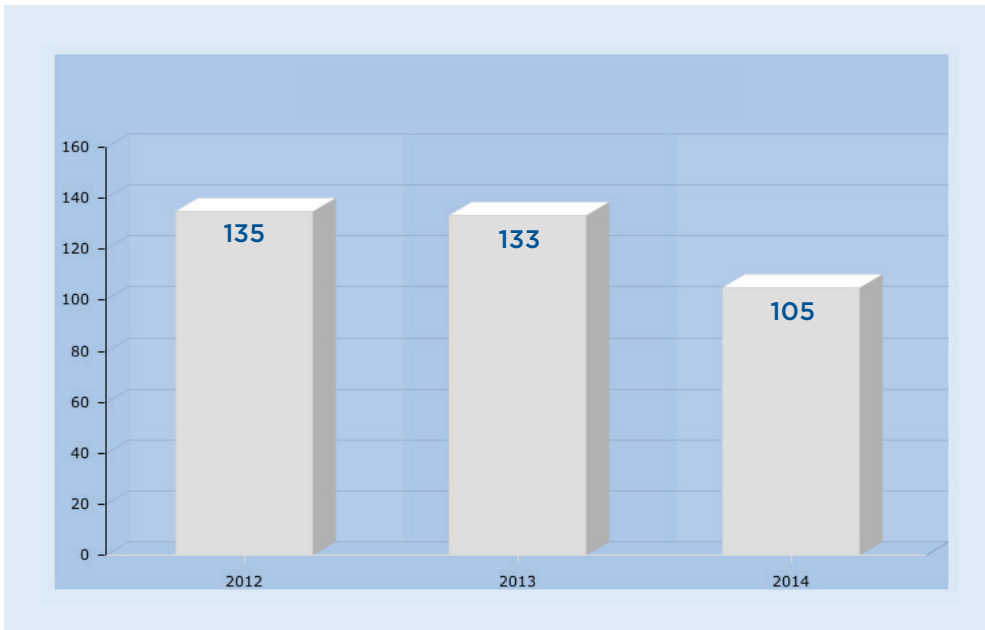
Concluded matters are cases in which a final decision, either a sanction or dismissal, has been issued. The first chart below shows the number of concluded enforcement cases in each of the last three years. The second chart shows the number of individual and company respondents against whom matters have been concluded.

The data points in the two charts below are not directly related to one another in any given year. A single enforcement case often names several individuals and one or more companies as respondents. Large or complex cases can have numerous respondents. While cases are typically counted as concluded in the year in which the case against the first respondent(s) is completed, proceedings against other respondents can often carry on into the subsequent years. Some of the respondents counted in 2014 may actually relate to cases that were counted as concluded in previous years. The data in the charts below should therefore be treated independently.

CSA members concluded an aggregate total of 105 cases in 2014, compared to 133 concluded cases in 2013. The tables provide more detail about these cases and how they were concluded. Each case is counted just once, even if more than one person or company was sanctioned in a single case. All 105 cases are listed in the CSA concluded cases database.

In 2014, CSA members concluded matters involving 149 individuals and 106 companies, or 255 total respondents. By comparison, concluded matters in 2013 involved 216 individuals and 166 companies (382 respondents). As explained above, not all of these individual proceedings are connected to cases that were counted as concluded in 2014.

Concluded Cases



Respondents

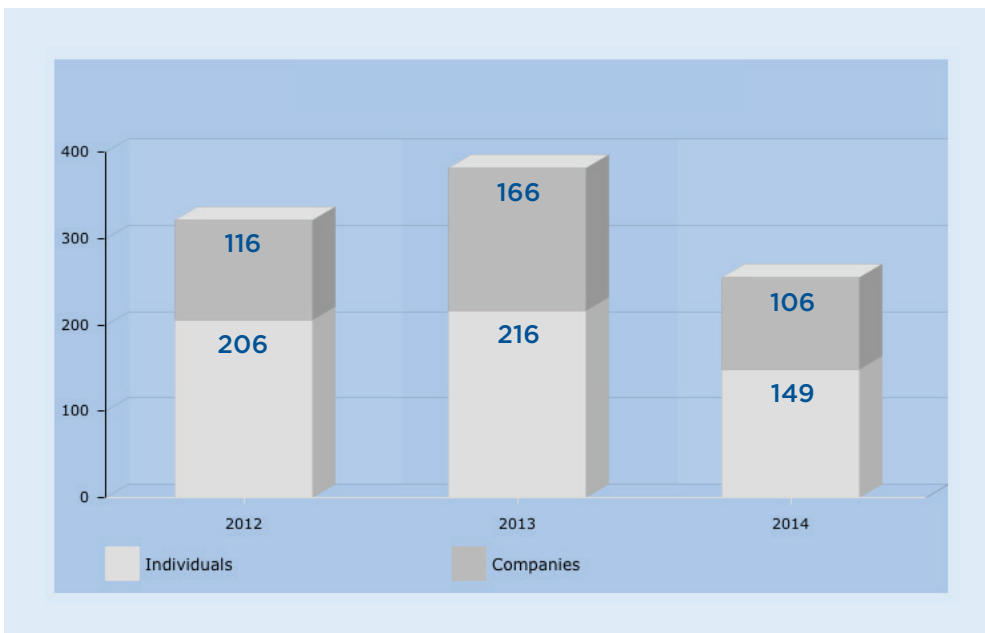


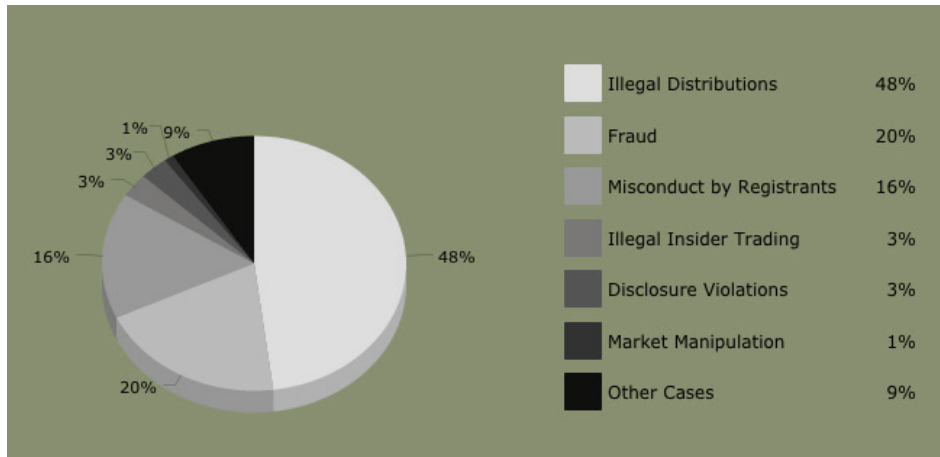
Table 2 shows completed Canadian enforcement matters against individual and company respondents, by category of wrongdoing, for 2012, 2013 and 2014. The pie chart provides a visual representation of the proportion of respondents in each category. Illegal distributions (distributing securities without registration or a prospectus) continue to form the largest category, although with the addition of the fraud category in 2012, many cases that would previously have been categorized as illegal distributions now appear in the fraud category.

Table 2: Respondents by Category¹

Type of Offence	2012	2013	2014
Illegal Distributions	133	220	122
Fraud	66	78	52
Misconduct by Registrants	61	36	41
Illegal Insider Trading	16	17	8
Disclosure Violations	15	10	8
Market Manipulation	4	2	2
Other Cases	27	19	22
Total	322	382	255

¹ Reciprocal orders and interim cease trade orders have not been counted in this table.

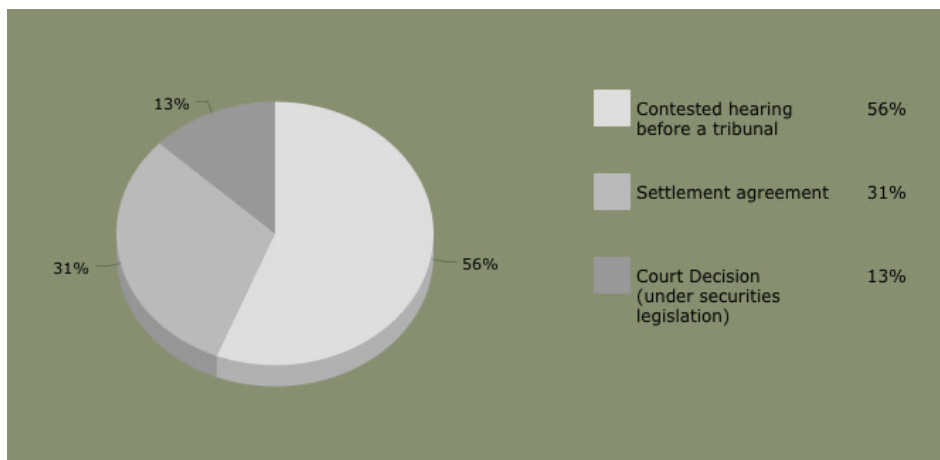
Respondents by Category 2014



How Proceedings Against Respondents Were Concluded

The pie chart below provides a breakdown of how matters against respondents were concluded in 2014, whether by a tribunal decision, a settlement agreement with a CSA member, or a court decision under securities legislation. Matters were concluded against 144 respondents following contested hearings, 78 respondents by settlement agreements and 33 respondents by court decision.

How matters were concluded in 2014



Penalties

The sanctions imposed for securities law violations or conduct that is contrary to the public interest range from bans on future activity, such as trading in securities or acting as a director or officer of a public company, to financial penalties and jail terms. Tables 3 and 4 outline monetary orders imposed by securities regulators and the courts over the last three years, including settlements.

Total penalties can vary considerably year to year, depending on the nature of the cases. In 2014, approximately \$58.2 million was ordered in fines and administrative penalties. While penalties, costs and other monetary sanctions/orders can be difficult to collect, every effort is made by regulators to do so, including using the services of collection agencies.

Table 3: Fines and Administrative Penalties

Type of Offence	2012	2013	2014
Illegal Distributions	\$ 15,678,547	\$ 16,976,063	\$ 17,600,090
Fraud	\$ 17,459,625	\$ 12,997,120	\$ 25,038,461
Misconduct by Registrants	\$ 1,750,550	\$ 1,305,004	\$ 7,476,755
Illegal Insider Trading	\$ 684,927	\$ 3,428,000	\$ 87,850
Disclosure Violations	\$ 451,500	\$ 60,000	\$ 79,500
Market Manipulation	\$ 54,000	\$ 75,000	\$ 61,500
Other Cases	\$ 566,500	\$ 520,000	\$ 7,895,000
Total	\$ 36,645,649	\$ 35,361,187	\$ 58,239,156

Restitution, compensation and disgorgement are powers available in specific circumstances to some regulators or courts under their applicable securities legislation. Restitution is a remedy that aims to restore a person to the position he or she would have been in had it not been for the improper conduct of another. Compensation is a payment to an aggrieved investor to compensate for losses, either in whole or in part. An order for disgorgement requires a payment to the regulator of amounts obtained or losses avoided as a result of a failure to comply with, or a contravention of, securities laws.

Table 4: Restitution, Compensation and Disgorgement

Type of Offence	2012	2013	2014
Illegal Distributions	\$ 10,533,827	\$ 19,872,816	\$ 12,723,110
Fraud	\$ 99,743,113 ¹	\$ 33,495,860	\$ 23,724,705
Misconduct by Registrants	\$ 9,280,798	\$ 534,420	\$ 26,418,512
Illegal Insider Trading	\$ 959,938	\$ 889,483	\$ 27,280
Disclosure Violations	-	-	-
Market Manipulation	-	-	-
Other Cases	\$ 45,280	\$ 155,000	\$ 2,824,153
Total	\$ 120,562,956	\$ 54,947,579	\$ 65,717,760

¹ \$48.6 million of this total is the disgorgement amount ordered in the Arbour Energy case.

As well as fines and administrative penalties, respondents are also often ordered by the regulators or courts to pay part or all of the costs of the proceedings. Total costs assigned to respondents by CSA members in 2014 were \$5,502,899 as compared to \$4,099,606 in 2013.

In addition to monetary orders, courts in Ontario, Alberta and Québec ordered jail terms for five individuals in 2014, ranging from two months to three years. In total, approximately seven and a half years of jail time was handed down to offenders in 2014, as compared to 13 years in 2013.

Legislation provides for a statutory right of appeal of both tribunal and court decisions, and securities regulators expend significant resources responding to appeals brought by respondents. Occasionally a CSA member will appeal a court decision. These appeals may not have a decision rendered until a subsequent year. As well as the appeals of decisions included in the table below, procedural appeals are quite common as cases proceed through the enforcement system.

Table 5: Appeals

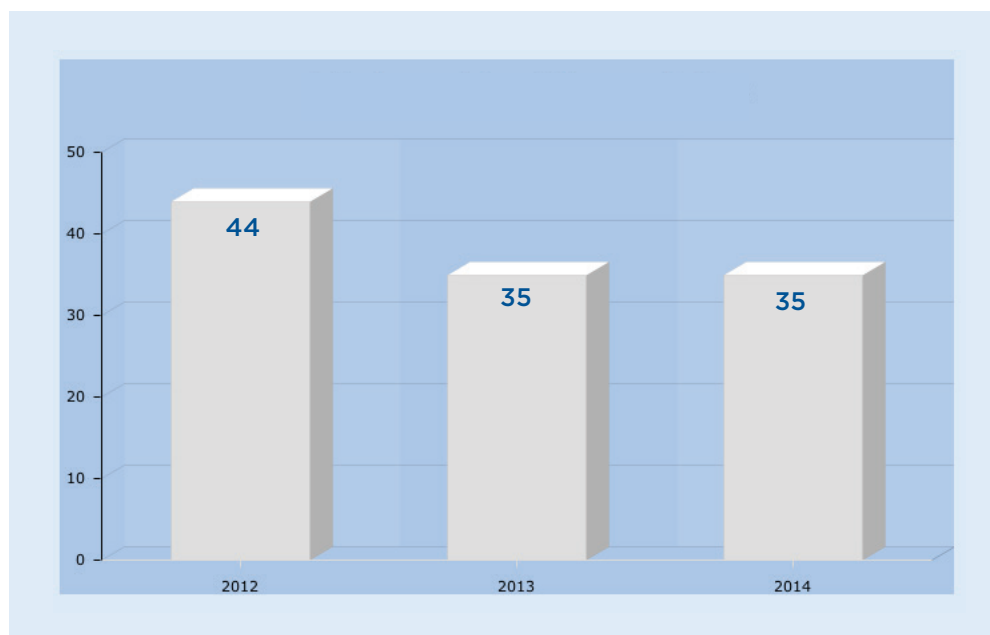
Appeals	2012	2013	2014
Cases Appealed	30	10	17
Appeal Decisions Rendered	19	24	16

Preventive measures

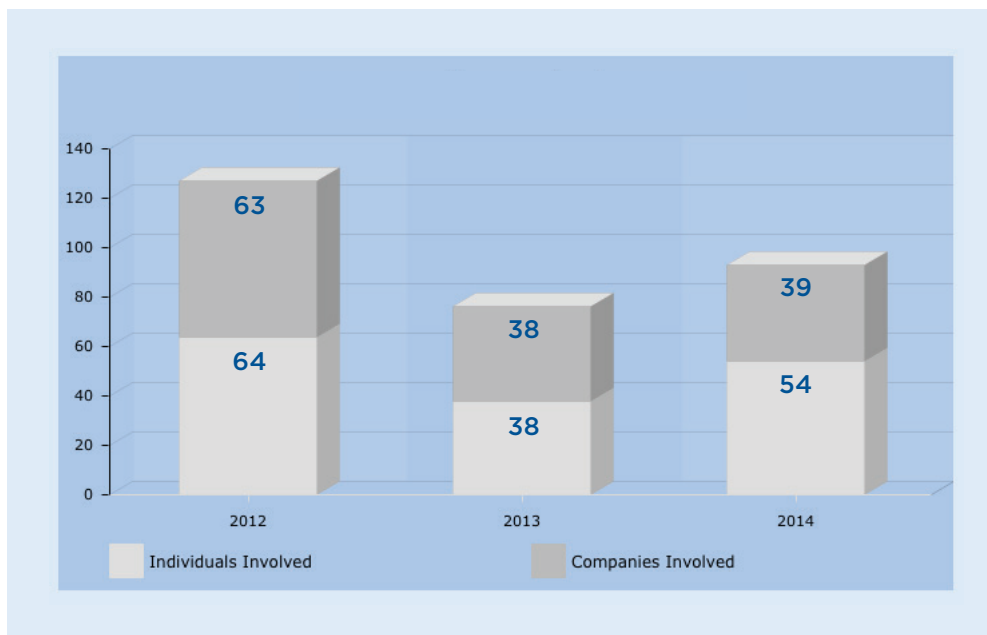
As the charts below illustrate, CSA members continue to use measures such as interim cease trade and asset freeze orders to protect investors by prohibiting or inhibiting a potentially illegal activity while an investigation is underway.

Under the 35 interim orders and asset freeze orders issued in 2014, trading and other restrictions were placed on 54 individuals and 39 companies. In 2013, that number was 35 interim orders and asset freeze orders, with trading restrictions placed on 38 individuals and 38 companies.

Interim and Asset Freeze Orders



Respondents



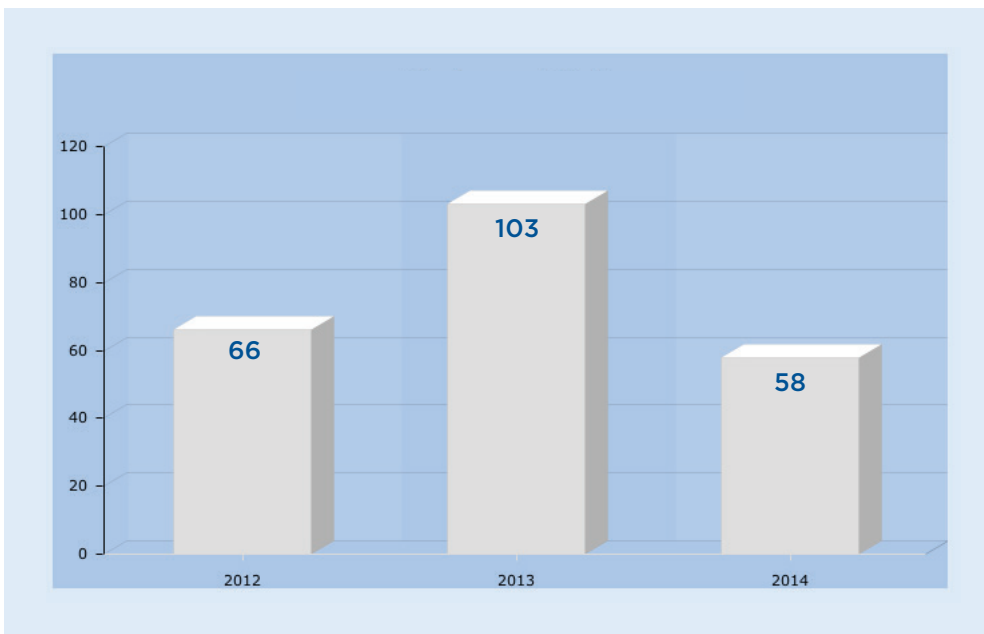
Asset freeze orders are used by securities regulators to prevent the dissipation of assets pending completion of an investigation. Where circumstances merit, regulators can also apply to the court to appoint a receiver to manage assets that have been frozen to facilitate an orderly distribution of assets back to investors. Assets can include bank accounts and personal property such as vehicles, buildings and other physical assets. In 2014, CSA members issued 24 freeze orders relating to 29 individuals and 18 companies, including a total of \$18,241,335 in bank accounts.

CSA members also issue investor warnings and alerts through their respective websites, email, social media channels and through the CSA website to warn the public about individuals and companies that may be involved in harmful activity. In 2014, CSA members issued 52 investor alerts to warn the public not to invest with certain companies or their representatives. Many of the alerts were related to businesses located in other countries that are not registered in Canada to engage in the business of trading in securities or advising anyone with respect to investing in, buying or selling securities. Investors are urged to be cautious about these individuals and companies, and to contact the CSA member in their jurisdiction if they are approached by any of the identified parties.

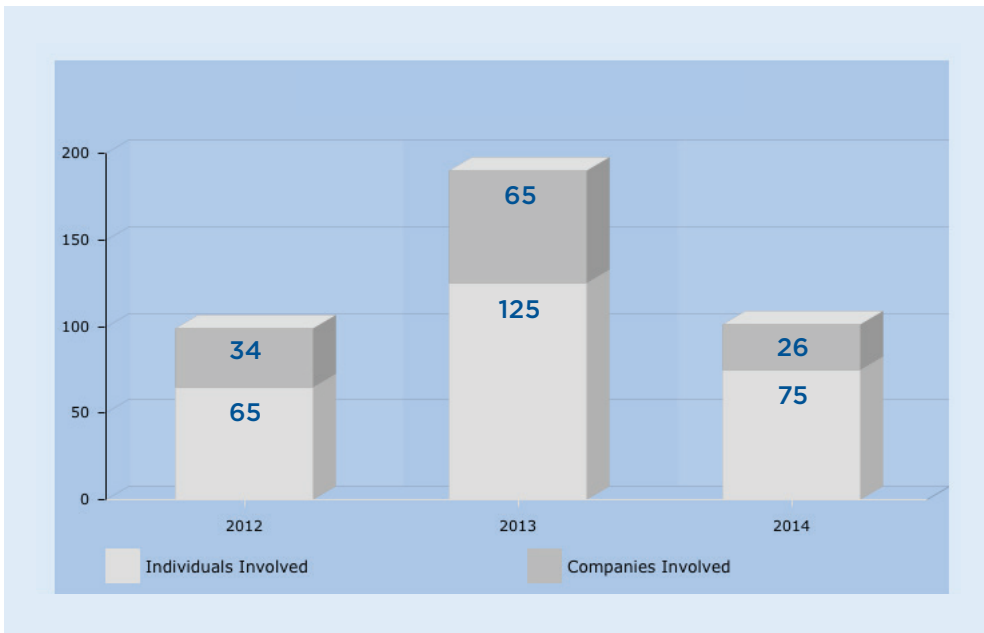
Reciprocal orders

Orders issued by a court or other securities regulatory authorities may be reciprocated. Reciprocal orders allow securities regulators to apply orders issued in another jurisdiction or by another regulatory authority in their own jurisdiction. This prevents individuals or companies sanctioned in one jurisdiction from moving and carrying on their conduct in another jurisdiction. The use of reciprocal orders demonstrates the commitment of CSA members to strengthening investor protection and enforcement coordination across Canada. The charts below indicate the number of reciprocal orders issued in each of the last three years, and the number of individual and company respondents affected by those reciprocal orders.

Reciprocal Orders



Respondents



Cases concluded by SROs

Self-regulatory organizations (SROs) are an important part of the enforcement mosaic in Canada. The three key SROs, as overseen by CSA members, are the Investment Industry Regulatory Organization of Canada (IIROC), the Mutual Fund Dealers Association of Canada (MFDA), and the Chambre de la sécurité financière (CSF). These three organizations concluded 112 enforcement cases in 2014, compared with 132 in 2013.

2014 Case Highlights

Enforcement cases typically fall into one of six categories, although some cases are relevant to more than one category. We have shortened case names here for simplicity; the CSA concluded cases database contains full case names.

Categories

Fraud

While the precise definition of fraud varies by jurisdiction, the consistent elements in fraud cases are deceit and deprivation.

In Alberta, the Alberta Securities Commission (ASC) brought charges against Amarinder Singh (Mark) Lall in connection with raising \$975,000 through the illegal distribution of securities. Lall told an investor that he would secure his funds “using offshore techniques for capital preservation and growth.” Instead, Lall fraudulently converted the funds to his own use and issued fictitious statements and made other misrepresentations to conceal his unlawful conversion. The Provincial Court of Alberta sentenced Lall to three years’ incarceration and also imposed lifetime market, director/officer, and other bans against him.

The York Rio Resources Inc. case in Ontario is an example of a classic fraudulent activity, the **boiler room**¹. In this case, the two companies involved, York Rio Resources Inc. and Brillante Brasilcan Resources Inc., were purportedly involved in mining ventures, but in fact had no viable business assets or any legitimate business operations. York Rio raised approximately \$18 million from investors, and Brillante raised approximately \$160,000 through commissioned salespersons – including respondents Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale – using aliases, high-pressure tactics and misrepresentations about the companies’ assets and operations. Of these amounts, approximately \$16 million was used, in part, to pay the overhead expenses of the companies’ sales operations, including salaries and commissions for salespersons, with the remainder being spent for the personal benefit of the respondents, Victor York, Robert Runic and George Schwartz. None of the respondents was registered with the Ontario Securities Commission (OSC), no prospectus was filed for the securities involved and no exemptions were available in the circumstances. The OSC ordered that the respondents disgorge a total of approximately \$16.7 million, and that they pay administrative penalties and costs totalling approximately \$5.9 million. Permanent cease trading, director/officer and registration bans were imposed on the respondents.

“This is clearly a trust fraud, exploiting a professional and personal relationship with the victim...[It] was an opportunistic, economic, criminal activity where the fruits of the crime have been dissipated entirely.”

- Judge Skene, of the Provincial Court of Alberta, ruling on the Amarinder Singh (Mark) Lall case

“None of the Investor Witnesses received any return on their investment or any repayment of their purchase price. The disregard shown by the Respondents, especially Schwartz and York, for their obligations to investors was a significant aggravating factor in the hearing of this case.”

- From the OSC sanctions decision concerning the York Rio Resources Inc. case

In B.C., David Michael Michaels perpetrated a fraud on hundreds of clients, the majority of which were senior citizens. Michaels, a former mutual fund salesperson, illegally and fraudulently advised 484 clients to purchase over \$65 million of exempt market securities between June 2007 and December 2010. He received close to \$6 million in commissions for these transactions. A British Columbia Securities Commission (BCSC) panel investigation found that at least \$40 million of investors' money had been lost and the remaining investments were at risk. In November 2014, at the conclusion of its investigation, the BCSC panel fined Michaels \$17.5 million for illegally advising clients, making misrepresentations and perpetrating a fraud on hundreds of investors. He was also ordered to pay \$5.8 million of the commission he earned to the BCSC and was permanently banned from participating in B.C.'s capital markets.

Investors who are taken in by fraud seldom recover their money. This is why, in addition to shutting down these schemes, CSA members work to educate investors on how to recognize and avoid suspicious or fraudulent investments by way of provincial and territorial securities regulator websites, programs and investor resources. The CSA's web page on avoiding fraud is an excellent source of tools and educational information for investors.

¹ **Boiler room** – A physical place where high-pressure salespeople use banks of telephones to contact potential investors about the sale of speculative and fraudulent securities.

Illegal distributions

An illegal distribution is a sale or attempted sale of securities to investors that does not comply with securities law registration, trading or disclosure requirements. Some illegal distributions also constitute fraud. For examples of such cases in 2014, see the fraud page of the case highlights section.

The Rezwealth Financial Services Inc. case in Ontario is an example of a **Ponzi scheme**¹. This case involved an illegal distribution of securities, unregistered trading and fraudulent conduct, in connection with the solicitation of investments from Ontario residents, purportedly to engage in **foreign currency (Forex) trading**². None of the respondents was registered with the Ontario Securities Commission (OSC) at the material time, no prospectus was filed for the securities involved and no exemptions were available in the circumstances. Collectively, the respondents raised approximately \$5.93 million from 101 investors. Sylvan Blackett (through his company 2150129 Ontario Inc.) solicited investors to loan funds that he would purportedly use for Forex trading. However, only a fraction of investor funds was ever transferred to Forex entities and subsequent investor funds were used for payments to earlier investors in a fraudulent Ponzi scheme. Willoughby Smith (with his company 1778445 Ontario Inc.) contributed to this investment scheme by soliciting investors for Blackett's trading programs in return for referral fees.

“Michaels preyed on clients by frightening and misleading them into leaving the comparative safety of traditional capital markets for the far riskier part of the exempt market. As a consequence, his clients have suffered grievous deprivation, and he was greatly enriched.”

- *From the BCSC decision concerning the David Michael Michaels case*

“In essence, Blackett, personally and through 215 Inc., formulated a fraudulent Ponzi scheme, which was cultivated through misrepresentations and involved payments to early investors out of funds received from later investors.”

- *From the OSC merits decision concerning the Rezwealth Financial Services Inc. case*

Pamela Ramoutar and her son, Justin Ramoutar, who operated Rezwealth Financial Services Inc., offered credit restoration to investors, then pooled and directed some of the Rezwealth clients' assets into Blackett's Forex trading investment scheme. Daniel Tiffin, and his company, Tiffin Financial Corporation, contributed to this investment scheme by soliciting investors for the Rezwealth program in return for referral fees. The OSC ordered the respondents to disgorge a total of approximately \$3.3 million, and to pay administrative penalties and costs totalling approximately \$1.2 million. Permanent cease trading, director/officer, and registration bans were imposed on Blackett, 2150129 Ontario Inc., Pamela and Justin Ramoutar, and Rezwealth Financial Services Inc. Trading, director/officer, and registration bans were also imposed on Willoughby Smith, 1778445 Ontario Inc., Daniel Tiffin, and Tiffin Financial Corporation for five years.

In Alberta, Platinum Equities Inc. (Platinum), Shariff Chandran, his sister Chitra Chandran, and several other entities linked to Platinum collected more than \$58 million through illegal trades and distributions of securities and other capital-market misconduct. This illegal activity was conducted through what the respondents described as "syndications", where investors purchased interests in corporate entities that owned or acquired real estate, and thereby became entitled to share in profits generated by the real estate. While the corporate respondents were permanently banned from the Alberta capital market, as the guiding mind and person primarily responsible for the corporate entities, Shariff Chandran received 25-year market, director/officer, and other bans and a \$1 million administrative penalty. Chitra Chandran, who was found to have borne less responsibility for the misconduct than her brother, was given 10-year market, director/officer, and other bans and a \$150,000 administrative penalty. In both cases, Platinum was made jointly responsible for payment of the administrative penalties. The Alberta Securities Commission (ASC) panel further ordered that the Chandran bans remain in place until the administrative penalties are paid.

In B.C., the Independent Academies Canada (IAC) case was a particularly egregious example of illegal distribution. In this case, Theodore Ralph Everett, Robert H. Duke, Micron Systems Inc., and IAC distributed securities to 126 investors for proceeds of \$5.1 million without filing a prospectus. The respondents also distributed securities to 55 investors for proceeds of \$1.45 million without disclosing that foreclosure proceedings had commenced on the project, and traded securities in violation of a **cease trade order**³. A British Columbia Securities Commission (BCSC) panel ordered a permanent market ban for all respondents and ordered them to disgorge \$5.43 million obtained as a result of their misconduct. Furthermore, Everett and Duke are jointly and severally liable to pay an administrative penalty of \$7 million. Permanent cease trade orders have been placed on both Micron and IAC.

“ We share with Staff a concern that the apparent ease with which the respondents raised vast sums from investors, in part through serious and, in one aspect, systemic misconduct...could tempt any of the respondents – or observers – to attempt something similar in the absence of firm sanctions here. We view this as a real and profound risk to the investing public and the integrity of our capital market. ”

- ASC Panel, ruling on the Platinum Equities Inc. case

In Québec, Warren English and his company, Mega International Business (Mega), illegally solicited thousands of investors by email to invest in “Mega Pension Plan,” a “reverse pension plan” supposedly operated by an unidentified Trust Partner on whose behalf the respondents purported to act as an intermediary. Investors were promised a return of \$80,000 to \$90,000 upon payment of a refundable \$50 “administrative fee.” Hundreds of thousands of dollars were received by the respondents over a two-year period and deposited in Mega’s bank accounts, via thousands of money orders and certified cheques coming primarily from the U.S. The Bureau de décision et de révision (BDR) initially issued cease trade and **asset freeze orders**⁴, at the request of the Autorité des marchés financiers (AMF), and then, following the completion of the investigation, ordered English and his company to pay an administrative monetary penalty of \$500,000 and disgorge \$474,543 to the AMF.

In Nova Scotia, Steven Jay Brown purchased shares in Sunseeker Energy Limited and subsequently became involved in the business by promoting it as an investment to others. Brown, who was unregistered, acted illegally to progress a trade by saying that he was the person “raising capital” for the company while on a North American-wide conference call. Brown made representations to the public as to the future value of the company’s stock, advising potential investors that they could buy stock now at \$0.25, and that once it was listed on the Frankfurt Stock Exchange it would open trading at €1.80 two weeks later. Brown entered into a settlement agreement with the Nova Scotia Securities Commission (NSSC) and agreed to pay an administrative penalty of \$7,500, while receiving a 20-year ban on becoming an officer or director, or becoming registered under securities law in any capacity.

The Forex Capital Markets LLC case involved collaboration and joint enforcement between the Manitoba Securities Commission (MSC) and the Financial and Consumer Services Commission (FCNB) in New Brunswick. In this case, Forex Capital Markets LLC (FXCM US) and Forex Capital Markets Ltd. (FXCM UK) provided online trading services to investors in Manitoba and New Brunswick, while neither company was registered in any capacity in either jurisdiction. Between 2005 and 2012, the respondents opened 896 accounts in Manitoba and 283 accounts in New Brunswick. The profits on these accounts were approximately \$180,000. The collaborative investigation and joint hearings conducted by the MSC and FCNB led to a settlement agreement, where the respondents agreed to pay a total administrative penalty of \$180,000, with \$158,000 being paid to the MSC and \$22,000 to the FCNB.

“Moreover, it is a matter of concern to conclude that it was relatively easy for the defendants to raise almost half a million dollars in so little time and at little cost to them. Although the investors do not seem to have incurred large losses individually, it would appear that the defendants were able, on the whole, to raise a significant amount of funds illegally.”

- *From the BDR decision concerning the Warren English case*

1 Ponzi scheme – A fraudulent activity in which the promised rate of return on an investment is paid to the initial investors using funds provided by subsequent investors. These schemes eventually collapse because there is usually no underlying asset and the perpetrator is unable to continue to make payments to investors.

2 Foreign currency (Forex) trading – The trading of foreign currencies, usually as match pairs in lots of 100,000 (standard), 10,000 (mini), or 1,000 (micro). These lots are traded as a binding Forex contract. Forex trading is complex, volatile and highly risky – with fraudulent activities being one such risk. Investors are advised to get expert advice from a registered professional before participating in Forex trading or purchasing a Forex-related investment. The CSA website provides a detailed overview of Forex trading.

3 Cease trade order – A decision banning trading in securities, issued by a provincial or territorial securities regulatory authority, or similar regulatory body, against a company or individual for reasons such as failing to meet disclosure requirements or as a result of an enforcement action that involves an investigation of potential wrongdoing.

4 Asset freeze order – A decision issued by a provincial or territorial securities regulatory authority, or similar regulatory body, against a company or individual to prevent assets from being transferred or dissipated.

Misconduct by registrants

Any person or company in the business of advising or trading in securities in Canada must be registered under the securities laws of each Canadian jurisdiction in which they conduct this activity, unless an exemption is provided in legislation or by order from the securities regulators. Misconduct by registrants occurs when a registered person or company violates securities laws, fails to register when required to do so or fails to adhere to the conditions of a registration exemption. The cases involving registered firms showcase the importance of diligence both in the supervision of portfolio advisors, who manage large investment funds, and also in disclosure to investors. These registrants are required to keep “know your client” and “know your product” forms on file to determine what investments are suitable for individual clients. This is a key principle of the suitability obligation that registrants owe to their clients – the basic understanding of a client’s investment needs and objectives. The CSA’s website page on choosing a financial advisor is a great resource to learn about the suitability obligation.

The WFG Securities of Canada Inc. (WFG) case in Manitoba provides a useful example of the severity of penalties applied to registrants whose conduct disregards the suitability obligation and thereby violates securities law. Following a compliance review of two Winnipeg-based WFG offices, Manitoba Securities Commission (MSC) staff determined that WFG salespersons had recommended clients borrow funds to purchase securities when it was not suited to their personal circumstances, incorrectly overstated clients’ investment knowledge and objectives on a significant number of “know your client” forms, and frequently did not explain the risks associated with leveraged accounts. Following this review, WFG retained Compliance Alliance Inc. to examine 548 leveraged accounts, of which 86 per cent were assessed as requiring remediation. This review also identified 30 loans of \$190,000 or more (all assessed as requiring remediation), 68 complaints regarding leverage and

“ WFG acknowledges and agrees that it did not act fairly, honestly and in good faith toward [its] clients. ”

- *From the MSC settlement agreement with Transamerica Securities Inc. (formerly known as WFG Securities of Canada Inc.)*

eight pre-signed forms. Compliance Alliance Inc. also made a number of recommendations to remedy a subset of leveraged accounts and develop a leverage training program, and an MSC panel subsequently issued an order to implement these recommendations. In a settlement agreement with the MSC, WFG agreed to make a voluntary payment of \$250,000 to Manitoba's Minister of Finance and pay \$20,000 towards the costs of the MSC's investigation. This represents the largest payment made in Manitoba under a settlement agreement.

In Ontario, the Crown Hill Capital Corporation (Crown Hill) case involved multiple breaches by the investment fund manager of its **fiduciary duty**¹ under the Ontario *Securities Act* to act honestly, in good faith and in the best interests of the investment funds it managed. As a fiduciary, Crown Hill had an obligation to act with utmost good faith and to put the best interests of the fund ahead of its own interests. Respondent Wayne Lawrence Pushka, the owner and directing mind of Crown Hill, devised strategies to increase assets under management by acquiring the rights to certain management services agreements and merging those funds with existing Crown Hill funds. The strategies were purportedly for the benefit of investors; however, it was found that Pushka's actions greatly increased the interests of himself and Crown Hill, with little benefit to the fund unitholders. The strategies involved the use of fund assets to finance acquisitions for Crown Hill. Pushka's strategies involved related party transactions and inherent conflicts of interest that Crown Hill and Pushka failed to appropriately address. Pushka failed to provide sufficient information to Crown Hill's independent directors, and to its Independent Review Committee, to allow them to make fully informed decisions. Unitholders were also not given sufficient information to permit them to make informed judgments. The Ontario Securities Commission (OSC) ordered Crown Hill and Pushka to pay a disgorgement of approximately \$18.2 million, an administrative penalty of approximately \$1.87 million and costs of \$300,000. The OSC also imposed a trading ban until the monetary sanctions and costs are paid, as well as registration, director and officer bans for at least 10 years and thereafter until the monetary sanctions are paid.

¹ **Fiduciary duty** - The legal duty of a person to act in another person's best interests.

Illegal insider trading

Illegal insider trading involves buying or selling a security of an issuer while possessing undisclosed material information about the issuer and includes related violations such as "tipping" information and trading by the person "tipped." Material information (or "privileged information" in some jurisdictions) can include everything from financial results to executive appointments to operational events. Illegal insider trading cases highlight the care anyone who might have insider information must take when buying or selling securities.

“ As a fiduciary, Crown Hill was not permitted to use the assets of the [fund] for its own benefit or advantage or to put itself in an irreconcilable conflict of interest. ”

- *From the OSC sanctions decision concerning the Crown Hill Capital Corporation case*

In B.C., Robert Launder admitted that he sold shares of Baja Mining Corp. (Baja) while in a special relationship with the company, and while in possession of material facts concerning a cost review that had not been generally disclosed. Launder, in his role as Manager of Project Controls for Minera Y Metalurgica Del Boleo S.A. de C.V. (MMB), a subsidiary of Baja, was integrally involved in the preparation of a cost review for Baja's sole asset, a joint venture interest in the Boleo copper mine project. The cost review ultimately identified a projected cost overrun of approximately \$246 million for the project – the material fact that Launder was in possession of when he sold shares. As part of a settlement agreement with the British Columbia Securities Commission (BCSC), Launder agreed to pay a penalty of \$24,350. The agreement also prohibits him from purchasing or trading securities of any issuer with whom he is in a special relationship for a period of three years.

The Matthew Schloen case in Ontario involved insider trading based on material information inadvertently provided by a company employee. In this case, the respondent, Schloen, was made aware of rumours within Bridgewater Systems Corp. (Bridgewater) that constituted a material fact or change that was not generally disclosed. From these rumours, the respondent deduced the company was an imminent takeover target. Schloen then purchased Bridgewater shares based upon the undisclosed information and sold the shares immediately after the acquisition of Bridgewater by Amdocs Ltd., making him a profit of \$23,000. The Ontario Securities Commission (OSC) concluded a settlement agreement with Schloen and he was ordered to disgorge the total amount of profit made and to pay an administrative penalty and costs totalling \$10,000. A cease trading ban with certain carve-outs was imposed on Schloen for at least three years or until the monetary sanctions are paid in full.

Disclosure violations

Confidence in the capital markets requires confidence in the accuracy of the information that companies disclose about their business activities. Timely, accurate and complete financial statements are the core of good disclosure practice. In disclosure cases, the victims are typically company shareholders. Continuous disclosure review programs undertaken by CSA members aim to ensure that investors have accurate and timely information about public companies on which to base their investment decisions. When appropriate, continuous disclosure reviews may result in a referral to the enforcement branch of a CSA member.

In Ontario, the Ontario Securities Commission (OSC) concluded a settlement agreement with David Horsley, the Chief Financial Officer (CFO) of Sino-Forest Corporation. As part of this agreement, Horsley acknowledged that his failure to exercise the skill, care and diligence required of a CFO permitted Sino-Forest to make inadequate and materially misleading disclosures. Sino-Forest, an Ontario reporting issuer, primarily conducted business in the People's Republic

of China and had its principal executive office located in Hong Kong. As CFO, Horsley was responsible for the oversight of all financial aspects of the affairs of the company and had the ultimate responsibility for the integrity of its financial reporting. While he had this responsibility, he had no prior experience as an officer, director or employee of a forestry company, no experience conducting business in China, and could not speak or read any Chinese dialect. Most, if not all, of the company's key purchase and sales contracts were written in Chinese. He admitted that he did not have the requisite first-hand knowledge of the company's business and its operating environment and placed undue reliance on the representations of management based in Hong Kong. A number of weaknesses in internal controls over financial reporting led to materially misleading public disclosures by Sino-Forest. Under the settlement agreement, the OSC ordered Horsley to pay \$700,000 in costs and imposed permanent registration and director/officer bans on him. Subsequently, courts in Ontario and New York approved the settlement of class action proceedings against Horsley, and others connected to Sino-Forest, which provided for a total of \$5.6 million to be paid on behalf of Horsley to former Sino-Forest securities holders.

Market manipulation

Market manipulation involves efforts to artificially increase or decrease the price of a security, including a company's shares. Examples of market manipulation include **high closing activities**¹, volume manipulation and "pump and dump" schemes. The latter term describes schemes that involve talking up a company's share price with untrue or exaggerated information in order to sell shares at a profit before the inevitable crash in the share price when the company's true position becomes evident.

The Stéphane Elissalde case in Québec is a clear example of market manipulation. Elissalde sold thousands of his shares in NTG Clarity Networks Inc. (NTG) at different moments of the day and followed his sales or sell orders with buy orders or buying at a much higher price. This manner of trading created upticks that ended in high closings. The defendant also blogged about NTG, knowing that his Internet postings could affect its stock price. The Autorité des marchés financiers (AMF) investigated the defendant after a financial institution sent a Gatekeeper report to the Investment Industry Regulatory Organization of Canada (IIROC) concerning potential manipulative and deceptive trading by a client. IIROC referred the complaint to the AMF's Direction de la surveillance des marchés for investigation. Following the investigation, the Court of Québec fined the defendant \$21,500, a fine greater than the minimum penalty, due to Elissalde receiving previous warnings from the AMF about suspicious transactions associated with market manipulation.

¹ **High closing activities** – A tactic that features orders and/or trades in a security to boost its trade or bid price at the end of the trading day.

“During the Material Time, Horsley's failure to exercise the skill, care and diligence required of him as CFO of Sino-Forest permitted Sino-Forest to make materially misleading disclosure contrary to section 122(3) of the [Securities] Act.”

- From the OSC settlement agreement with David Horsley

Prosecution in the courts

In some cases, Canadian securities regulators are able to pursue charges related to securities law violations in the courts, either on their own or through a Crown prosecutor, where jail terms can be imposed.

In Québec, Pierre Veillet and Distribution mobile inc. (Distribution mobile), were found guilty of a total of 84 counts of trading without registration, while Veillet was found guilty of 84 counts of aiding distribution and Distribution mobile was found guilty of 86 counts of distribution without the required prospectus. Veillet was fined \$1,296,800, and was given a custodial sentence of two years. Distribution mobile received a fine of \$2,105,600. Veillet, the majority shareholder and administrator of Groupe GDM (trading as Distribution mobile), told potential investors that Groupe GDM was financing purchases for companies that were experiencing cash flow problems and could not obtain financing through banks. He told investors that profits from this activity would be redistributed between investors in Groupe GDM. Over a three-year period, 36 investors gave Veillet approximately \$1,884,000. Investor contracts stated that a 40 per cent return on investment was expected annually. Veillet sent numerous emails and organized multiple meetings with investors to explain why the payments were delayed. Many received cheques with insufficient funds, but he would tell them that they would all be reimbursed.

In Ontario, Peter Siklos received a 60-day jail sentence and two years of probation after pleading guilty to one count of fraud under the *Securities Act* brought forward by the Ontario Securities Commission (OSC) in the Ontario Court of Justice. Siklos participated in a fraudulent advance-fee scheme operated through Crown Capital Management Corporation (Crown Capital). The scheme targeted investors in Canada and the United States. Fifty-nine Crown Capital investors paid advance fees of approximately US\$145,347 and CA\$109,427 as a result of the solicitations. Siklos adopted an alias and used false identification to establish and administer a virtual office and bank accounts for Crown Capital and to disburse the funds fraudulently obtained from shareholders as part of the scheme. This sentence follows the 2013 sentencing of Michael Chomica, who pled guilty to fraud in connection with his role as the architect of the Crown Capital scheme, as reported in the 2013 CSA Enforcement Report.

The Ralph Bartholomew Kelly case, in B.C., is an example of CSA members' relationships with local law enforcement resulting in criminal sanctions. In April 2011, Kelly was arrested by the British Columbia Securities Commission (BCSC) Criminal Investigation Team, in partnership with the Saanich Police Financial Crimes Section, for allegedly defrauding his son's friend and several of his workers out of \$32,200. In December 2014, Kelly was convicted of five counts of trading without a registration and five counts of distributing securities without a prospectus. Additionally, he was found guilty of three counts of fraud under \$5,000 under the *Criminal Code*. Already serving a 12-month jail

sentence for an unrelated fraud conviction, Kelly received a custodial sentence of nine months, plus two years of probation, and was ordered to pay restitution of \$32,200 to his victims.

The breach of a 2006 Alberta Securities Commission (ASC) order and an illegal distribution led to a jail sentence of two years and three months and a permanent market ban for Robert Andrew McPherson. Despite the 2006 order banning him from participating in the market or acting as a director or officer of any issuer of securities, McPherson distributed securities of Alexandra Exploration Inc. and failed to resign his position as a director and officer of Hazelwood Energy Ltd. and Tilston Resources Ltd. The court found that in order to conceal his activities, McPherson had his daughter listed as the sole director and officer of Alexandra, but she had no actual management role with the company. McPherson was found guilty of 12 counts of breaching Alberta securities laws. The misconduct occurred over a period of several years and resulted in financial losses to over 60 investors in an amount of at least \$5 million.

“...your actions in setting up a company under the dummy leadership of your daughter and indulging in the conduct that you did was disdainful of orders against you and the legislation under the Securities Act and could even be viewed as provocative.”

- Judge Camp, of the Provincial Court of Alberta, ruling on the Robert Andrew McPherson case

2014 Concluded Cases Database

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2 Wongs Make It Right Enterprises Ltd.; 1409779 Alberta Ltd. o/a CANREIG Edmonton; Integrity Plus Management Inc.; Wong, Khom (aka Huynh, Khom Ngoan); and Wong, Janeen (aka Schimpf, Janeen M.) (AB)

Blackwood and Rose Inc.; Zetchus, Steven; and Kreller, Justin (aka Justin Kay) (ON)

- Order re: Blackwood and Rose Inc.; Zetchus, Steven; and Kreller, Justin (aka Justin Kay)
 - Decision re: Blackwood and Rose Inc.; Zetchus, Steven; and Kreller, Justin (aka Justin Kay)
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Cloutier, Ronald Theodore; Venture Contractors Ltd.; Viva Communications Ltd.; Sunterra Resource Audit Equipment Ltd.; and Sunterra Seismic Inc. (AB)

- Merit Decision re: Cloutier, Ronald Theodore; Venture Contractors Ltd.; Viva Communications Ltd.; Sunterra Resource Audit Equipment Ltd.; and Sunterra Seismic Inc.
 - Sanction Decision re: Cloutier, Ronald Theodore; Venture Contractors Ltd.; Viva Communications Ltd.; Sunterra Resource Audit Equipment Ltd.; and Sunterra Seismic Inc.
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Gottlieb, Myron I. (ON)

- Order re: Gottlieb, Myron I.
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Leasemart, Inc.; Advanced Growing Systems, Inc.; The Bithub.Com, Inc.; International Energy Ltd.; Pocketop Corporation; Asia Telecom Ltd.; Pharm Control Ltd. Universal Seismic Associates Inc.; Select American Transfer Co.; Cambridge Resources Corporation; Dubinsky, Alena; and Khodjaiants, Alex (ON)

- Order re: Leasemart, Inc.; Advanced Growing Systems, Inc.; The Bithub.Com, Inc.; International Energy Ltd.; Pocketop Corporation; Asia Telecom Ltd.; Pharm Control Ltd. Universal Seismic Associates Inc.; Select American Transfer Co.; Cambridge Resources Corporation; Dubinsky, Alena; and Khodjaiants, Alex
 - Decision re: Leasemart, Inc.; Advanced Growing Systems, Inc.; The Bithub.Com, Inc.; International Energy Ltd.; Pocketop Corporation; Asia Telecom Ltd.; Pharm Control Ltd. Universal Seismic Associates Inc.; Select American Transfer Co.; Cambridge Resources Corporation; Dubinsky, Alena; and Khodjaiants, Alex
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McCarthy, Andrea Lee; BFM Industries Inc.; and Liquid Gold International Corp. (aka Liquid Gold International Inc.) (ON)

- Order re: McCarthy, Andrea Lee; BFM Industries Inc.; and Liquid Gold International Corp. (aka Liquid Gold International Inc.)
 - Decision re: McCarthy, Andrea Lee; BFM Industries Inc.; and Liquid Gold International Corp. (aka Liquid Gold International Inc.)
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Michaels, David Michael; and 509802 BC Ltd. doing business as Michaels Wealth Management Group (BC)

Rash, Howard (ON)

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 - Settlement re: Rash, Howard
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Sanmugam, Arvind [Bunting & Waddington] (ON)

- Order re: Sanmugam, Arvind [Bunting & Waddington]
 - Decision re: Sanmugam, Arvind [Bunting & Waddington]
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Summers, Keith Macdonald; Tricoastal Capital Partners LLC; and Tricoastal Capital Management Ltd. (ON)

- Order re: Summers, Keith Macdonald; Tricoastal Capital Partners LLC; and Tricoastal Capital Management Ltd.
- Settlement re: Summers, Keith Macdonald; Tricoastal Capital Partners LLC; and Tricoastal Capital Management Ltd.

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- Decision re: Yoannou, Paul

York Rio Resources Inc.; Brilliante Brasilcan Resources Inc.; York, Victor; Runic, Robert; Schwartz, George; Demchuk, Ryan; Oliver, Matthew; Valde, Gordon; and Bassingdale, Scott (ON)

- Order re: York Rio Resources Inc.; Brilliante Brasilcan Resources Inc.; York, Victor; Runic, Robert; Schwartz, George; Demchuk, Ryan; Oliver, Matthew; Valde, Gordon; and Bassingdale, Scott
- Decision re: York Rio Resources Inc.; Brilliante Brasilcan Resources Inc.; York, Victor; Runic, Robert; Schwartz, George; Demchuk, Ryan; Oliver, Matthew; Valde, Gordon; and Bassingdale, Scott

Zeiben, Lawrence; Grit International Inc.; and Texas Petroleum Inc. (AB)

- Decision re: Zeiben, Lawrence; Grit International Inc.; and Texas Petroleum Inc.
- Decision re: Zeiben, Lawrence; Grit International Inc.; and Texas Petroleum Inc. Zietsoff, Kevin Warren (ON)
- Order re: Zietsoff, Kevin Warren
- Settlement re: Zietsoff, Kevin Warren

Illegal Distributions

Bank Leumi Le Israel B.M. (ON)

Barbusci, Albert; Bélanger, Daniel; Cadence Holdings inc.; Cléroux, Roxanne; Normand, Martin; 9033-2743 Québec inc. (QC)

Barnett, James (aka John David) (ON)

- Order re: Barnett, James (aka John David)
- Settlement re: Barnett, James (aka John David)

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- Order re: Brown, Steven Jay
- Settlement re: Brown, Steven Jay

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Cinnabar Explorations Inc.; Bass, Christopher James G.; McGee, Daniel Grant; and Zucchet, Dale (BC)

- Decision re: Cinnabar Explorations Inc.; Bass, Christopher James G.; McGee, Daniel Grant; and Zucchet, Dale
- Decision re: Cinnabar Explorations Inc.; Bass, Christopher James G.; McGee, Daniel Grant; and Zucchet, Dale

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Dracontaidis, John; Kavathas, Dimitrios (Jimmy); et Bougadis, Andreas (QC)

Dufour, Georges (QC)

English, Warren; et Méga International Business (QC)

Forex Capital Markets LLC; and Forex Capital Markets Ltd. (MB)

Forex Capital Markets LLC; and Forex Capital Markets Ltd. (NB)

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- Settlement re: Frey, Rodger

Gold-Quest International; and Gale, Sandra (ON)

- Order re: Gold-Quest International; and Gale, Sandra
- Decision re: Gold-Quest International; and Gale, Sandra

Golic, Adis (aka Ady Golic) (BC)

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- Order re: Hewitt, Christine; and Z2A Corp.
- Decision re: Hewitt, Christine; and Z2A Corp.

I.A. Michael Investment Counsel Ltd.; and Michael, Irwin A. (SK)

IAC - Independent Academies Canada Inc.; Micron Systems Inc.; Everett, Theodore Robert; Ralph, Leonard George; and Duke, Robert H. (BC)

Landbankiers International MX, S.A., De C.V (SK)

- Order : Landbankiers International MX, S.A., De C.V
- Decision : Landbankiers International MX, S.A., De C.V

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Mak, Gordon (AB)

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- Order re: Migie, Brian
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MRS Sciences Inc. (formerly Morningside Capital Corp.); DeRosa, Americo; Sherman, Ronald; Emmons, Edward; Cavric, Ivan; and Primequest Capital Corporation (ON)

- Order re: MRS Sciences Inc. (formerly Morningside Capital Corp.); DeRosa, Americo; Sherman, Ronald; Emmons, Edward; Cavric, Ivan; and Primequest Capital Corporation
- Decision re: MRS Sciences Inc. (formerly Morningside Capital Corp.); DeRosa, Americo; Sherman, Ronald; Emmons, Edward; Cavric, Ivan; and Primequest Capital Corporation Nagra, Daljinder (BC)
- Order re: Nagra, Daljinder
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- Settlement re: Newer Technologies Limited; and Pickering, Ryan

Oriens Travel & Hotel Management Corp.; Anderson, Alexander; and Chua, Ken (BC)

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Platinum Equities Inc.; Deerfoot Court Real Estate Investment Fund Limited Partnership; Glenmore & Centre Retail Limited Partnership; Platinum 5 Acres and a Mule Limited Partnership; PMIC II Investments Ltd.; Qualia Real Estate Investment Fund VI Limited Partnership; Chandran, Shariff; and Chandran, Chitra (AB)

- Merit Decision re: Platinum Equities Inc.; Deerfoot Court Real Estate Investment Fund Limited Partnership; Glenmore & Centre Retail Limited Partnership; Platinum 5 Acres and a Mule Limited Partnership; PMIC II Investments Ltd.; Qualia Real Estate Investment Fund VI Limited Partnership; Chandran, Shariff; and Chandran, Chitra
- Sanction Decision re: Platinum Equities Inc.; Deerfoot Court Real Estate Investment Fund Limited Partnership; Glenmore & Centre Retail Limited Partnership; Platinum 5 Acres and a Mule Limited Partnership; PMIC II Investments Ltd.; Qualia Real Estate Investment Fund VI Limited Partnership; Chandran, Shariff; and Chandran, Chitra

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- Order re: Quantum Materials Corp.; and Squires, Stephen B.
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Order re: Rezwealth Financial Services Inc., Ramoutar, Pamela; Ramoutar, Justin; Tiffin Financial Corporation; Tiffin, Daniel; 2150129 Ontario Inc.; Blackett, Sylvan; 1774855 Ontario Inc.; and Smith, Willoughby

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Ricketts, Devon; and Griffiths, Mark (ON)

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Veillet, Pierre; Goyette, Steve; and Distribution Mobile inc. (QC)

Vilaron Corporation; and Vodovos, Simon (QC)

Waite, Kathleen (also known as Kathy Waite) (SK)

Waters, Robert (BC)

Zarr, Daveed (formerly known as Asi Lalky); and Zarr Energy Corporation (BC)

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Duncan Ross Associés Ltée; Duncan Ross, Robert; and Ferraris-Abbondi, Susan (QC)

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- Order re: El-Bouji, Issam; Global RESP Corporation; Global Growth Assets Inc.; Global Education Trust Foundation; and Singh, Margaret
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Gentree Asset Management Inc. and Gauthier, Normand (ON)

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North American Financial Group Inc.; North American Capital Inc.; Arconti, Alexander Flavio; and Arconti, Luigino (ON)

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 - Decision re: North American Financial Group Inc.; North American Capital Inc.; Arconti, Alexander Flavio; and Arconti, Luigino
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- Order re: TD Waterhouse Private Investment Counsel Inc.; TD Waterhouse Canada Inc.; and TD Investment Services Inc.
 - Settlement re: TD Waterhouse Private Investment Counsel Inc.; TD Waterhouse Canada Inc.; and TD Investment Services Inc.
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Gauthier, Jacques (QC)

Jin, Weiqing Jane (BC)

Lamarre, Jean (QC)

Launder, Robert (BC)

- Order re: Launder, Robert
- Settlement re: Launder, Robert

Lavallée, Gaston (QC)

Pharand, Daniel; Gagnon, Jacque; Fier Cap Diamand s.e.c.; Dupont, Éric; Blais, Louise; et Paquet, Louis (QC)

Schloen, Matthew (ON)

- Order re: Schloen, Matthew
- Settlement re: Schloen, Matthew

Waheed, Jowdat; and Walter, Bruce (ON)

Disclosure Violation

Awde, Jonathan (QC)

Brenner, Rudolf Walter (BC)

Glooscap Windfield Inc. (NS)

- Order re: Glooscap Windfield Inc.
- Settlement re: Glooscap Windfield Inc.

Goguen, Ronald J. (NB)

Horsley, David [Sino-Forest Corporation] (ON)

- Order re: Horsley, David [Sino-Forest Corporation]
- Settlement re: Horsley, David [Sino-Forest Corporation]

Independence Energy Corp.; and Thomson, Bruce (BC)

Unique CEDC Ltd. (NS)

- Order re: Unique CEDC Ltd.
- Settlement re: Unique CEDC Ltd.

Market Manipulation

Elissalde, Stéphane (QC)

Sundell, Kris (AB)

Miscellaneous

Black Gold Resources Ltd.; and Ferguson, William McDonald (BC)

- Order re: Black Gold Resources Ltd.; and Ferguson, William McDonald
- Settlement re: Black Gold Resources Ltd.; and Ferguson, William McDonald

Doulis, Alexander Christ (aka Alexander Christos Doulis, aka Alexandros Christodoulidis); and Liberty Consulting Ltd. (ON)

- Order re: Doulis, Alexander Christ (aka Alexander Christos Doulis, aka Alexandros Christodoulidis); and Liberty Consulting Ltd.
- Decision re: Doulis, Alexander Christ (aka Alexander Christos Doulis, aka Alexandros Christodoulidis); and Liberty Consulting Ltd.

Ernst & Young LLP (Sino-Forest Corporation) (ON)

- Order re: Ernst & Young LLP (Sino-Forest Corporation)
- Settlement re: Ernst & Young LLP (Sino-Forest Corporation)

Ernst & Young LLP (Zungui Haixi Corporation) (ON)

- Order re: Ernst & Young LLP (Zungui Haixi Corporation)
- Settlement re: Ernst & Young LLP (Zungui Haixi Corporation)

Graham, Hugh James (BC)

Hagerty, Sherry; and Hagerty, Gary (AB)

- Merit Decision re: Hagerty, Sherry; and Hagerty, Gary
- Sanction Decision re: Hagerty, Sherry; and Hagerty, Gary

Hypower Fuel Inc. (AB)

McCabe, Colin Robert Hugh; and Speckert, Erwin Thomas (BC)

New Solutions Capital Inc.; and Ovenden, Ronald James (ON)

- Order re: New Solutions Capital Inc.; and Ovenden, Ronald James
- Settlement re: New Solutions Capital Inc.; and Ovenden, Ronald James

Ramji, Alnoor (BC)

- Order re: Ramji, Alnoor
- Settlement re: Ramji, Alnoor

Singh, Alka; and Mine2Capital Inc. (ON)

- Order re: Singh, Alka; and Mine2Capital Inc.
- Settlement re: Singh, Alka; and Mine2Capital Inc.

Texas Energy Mutual LLC; Wolk, Fred; Vuolo, Len; and Snyder, Jay MacDonald (NB)
