

**IN THE MATTER OF  
TRILOGY MORTGAGE GROUP INC. and TRILOGY EQUITIES GROUP LIMITED  
PARTNERSHIP**

**APPLICATION OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

**Motion to Extend a Temporary Order**

Subsections 127(7) and 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5

**A. ORDERS SOUGHT**

The Applicant, Staff of the Ontario Securities Commission (**Staff**), requests that the Ontario Securities Commission (the **Commission**) make the following orders

1. An order, pursuant to subsection 127(7) of the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act**), extending the Temporary Order of the Commission made with respect to Trilogy Mortgage Group Inc. (**TMG**) and Trilogy Equities Group Limited Partnership (**TEGLP**) (collectively, **Trilogy**) dated April 24, 2019 as it applies to TMG only, until the completion of the hearing with respect to sanctions and costs (the “**Sanctions Hearing**”) if the Commission determines in its decision on the merits that a Sanctions Hearing is necessary;
2. An order that this Application be heard in writing, in accordance with Rule 23(2) of the Ontario Securities Commission *Rules of Procedure* (2017) (the **Rules**), and section 5.1 of the *Statutory Powers Procedure Act*, RSO 1990, c 5.22 (the **SPPA**);

3. If necessary, an order abridging the time required for service pursuant to Rules 3 and 4(2) of the Rules; and
4. Such other order as the Commission considers appropriate in the public interest.

## **B. GROUNDS**

The grounds for this request are:

1. In April 2018, Staff commenced an investigation into Trilogy (the **Investigation**);
2. On April 16, 2018, the Commission issued a temporary order (the **Temporary Order**), regarding the conduct described in the recitals Temporary Order;
3. The Temporary Order ordered that:
  - a. all trading in securities of TMG and TEGLP shall cease;
  - b. trading in any securities by TMG and TEGLP shall cease;
  - c. any exemptions contained in Ontario securities law do not apply to TMG and TEGLP; and
  - d. the Temporary Order shall take effect on April 16, 2018 and shall expire on the 15th day after its making unless extended by order of the Commission.
4. On April 26, 2018, the Commission issued an order extending the Temporary Order to September 26, 2018;

5. On September 10, 2018, the Commission issued an order extending the Temporary Order to March 31, 2019;
6. On March 29, 2019, the Commission issued an order extending the Temporary Order to April 24, 2019;
7. On March 29, 2019, the Commission issued a Notice of Hearing for a proceeding to consider whether it is in the public interest for the Commission to make the order(s) requested in the Statement of Allegations filed by Staff of the Commission on March 29, 2019 (the **SOA**);
8. On April 24, 2019, the Commission issued an order further extending the Temporary Order until the conclusion of the hearing on the merits in relation to the SOA;
9. On March 9, 2020, Staff issued a Notice of Withdrawal against TEGLP, amongst other parties, on the basis that TEGLP is not an existing entity. Consequently, Staff do not seek an extension of the Temporary Order as against TEGLP;
10. The hearing on the merits (the **Merits Hearing**) was held on March 10, 11, 12, 2020 and July 17 and 24, 2020 and Staff's written submissions in the Merits Hearing are due September 3, 2020;

11. The order sought by Staff is necessary to protect the public interest;
12. Subsections 127(1) and 127(7) of the Act;
13. Rules 3, 4(2) and 23(2) of the Rules and section 5.1 of the SPPA; and
14. Such further and other grounds as counsel may advise and the Commission may permit.

### **C. EVIDENCE**

The Applicant intends to reply on the following evidence at the hearing:

1. The Temporary Order attached hereto as Schedule “A”; and
2. The evidence entered in the record during the Merits Hearing.

Date: September 3, 2020

**Mark Bailey**  
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Ontario Securities Commission  
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**TO: TRILOGY MORTGAGE  
GROUP INC.**

7800 Kennedy Road  
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Markham, ON L3R 2C7

Attention: Filippo Mizzi

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# Schedule "A"



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
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**IN THE MATTER OF  
TRILOGY MORTGAGE GROUP INC. and TRILOGY EQUITIES GROUP LIMITED  
PARTNERSHIP**

**TEMPORARY ORDER  
(Subsections 127(1) and 127(5))**

**WHEREAS:**

1. it appears to the Ontario Securities Commission (the "Commission") that:
  - a. Trilogy Mortgage Group Inc. is an Ontario corporation and is a mortgage brokerage and administrator;
  - b. Trilogy Equities Group Limited Partnership appears to be an Ontario limited partnership;
  - c. Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership (collectively the "Respondents") have never been registered with the Commission in any capacity;
  - d. the Respondents are not reporting issuers and have never filed a prospectus in Ontario;
  - e. The Respondents appear to be operating as mortgage investment entities;
  - f. The Respondents operate the website "trilogyequities.com" (the "Website") that solicits the public to invest in the Respondents by purchasing securities of the Respondents who pool the investors' funds and in turn will provide mortgages to fund real estate development projects;

- g. No Reports of Exempt Distribution (Form 45-106F1) have been filed with the Commission with respect to the Respondents;
- h. The Website described two real estate projects: the Cambridge Property and the Wilson Property:
  - i. With respect to the Cambridge Property:
    - 1. the Website stated under "Project Status" that there is an "As is" appraisal valuing the Cambridge Property at \$8,400,000.". The appraisal in fact states that the Cambridge Property has an "As if complete" value of \$8,400,000;
    - 2. The Website fails to mention that a receiver was appointed by Court order over the owner of the Cambridge Property on April 10, 2018;
  - ii. With respect to the Wilson Property, the Website fails to mention that there is a motion to appoint a receiver over the owner of the Wilson Property to be heard on April 23, 2018;
- i. the Respondents may have participated in a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud contrary to subsection 126.1(1)(b) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"); or, contrary to 126.1(2) of the Act, directly or indirectly, attempted to engage or participate in any act, practice or course of conduct that is contrary to 126.1(1)(b) of the Act;
- j. the Respondents may have made statements that they knew or reasonably ought to have known were untrue or misleading and that would reasonably be expected to have a significant effect on the market price or value of a security, derivative, or underlying interest of a derivative, contrary to section 126.2 of the Act;

- k. the Respondents may have engaged in trading of securities that constituted a distribution without a prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act;
  - l. the Respondents may have acted contrary to the public interest; and
  - m. Staff are conducting an investigation into the conduct described above;
2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;
  3. the Commission is of the opinion that it is in the public interest to make this Order;
  4. by Authorization Order made March 23, 2018, pursuant to subsection 3.5(3) of the Act, each of Maureen Jensen, D. Grant Vingoe, Timothy Moseley, Philip Anisman, Lawrence P. Haber, Robert P. Hutchison, Janet Leiper, Poonam Puri, Mark J. Sandler, and M. Cecilia Williams acting alone, is authorized to make orders under section 127 of the Act;
  5. the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED** pursuant to section 127 of the Act that:

1. pursuant to clause 2 of subsection 127(1), all trading in securities of Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership shall cease;
2. pursuant to clause 2 of subsection 127(1), trading in any securities by Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership shall cease;
3. pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to Trilogy Mortgage Group Inc. and Trilogy Equities Group Limited Partnership; and
4. pursuant to subsection 127(6) of the Act, this order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission.



**DATED** at Toronto, this 16<sup>th</sup> day of April, 2018.

*“Maureen Jensen”*

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