



Ontario Commission des
Securities valeurs mobilières
Commission de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19^e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF
MARK EDWARD VALENTINE**

STATEMENT OF ALLEGATIONS

(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. In response to breaches of Ontario securities law, the Ontario Securities Commission may impose restrictions on respondents to protect Ontario investors and capital markets. These restrictions often include bans on trading securities and from acting as directors or officers of issuers. It is critical to fostering fair and efficient capital markets and confidence in capital markets that persons and companies comply with all terms and conditions of Commission orders, including these bans.

2. In this case, Mark Edward Valentine failed to comply with Ontario securities law by:

a. remaining a director and officer and becoming a director and officer of various issuers;
and

b. trading in securities,

after the Commission made an order dated December 23, 2004 (**OSC Order**) approving a settlement agreement between Staff and Valentine. The OSC Order required Valentine to resign and permanently prohibited him from becoming an officer or director of any issuer. The OSC Order also required him to cease trading in securities and removed his trading exemptions for a period of 15 years.

3. Since December 23, 2004, Valentine remained or became a director or officer of approximately 38 different issuers in breach of the OSC Order. None of the 38 companies were reporting issuers.
4. During the period from December 23, 2004 to December 22, 2019, Valentine traded in securities of issuers in breach of the OSC Order by:
 - a. participating in a sale of shares transaction; and
 - b. participating in and facilitating various equity loans for which he also received compensation.
5. These are serious and unacceptable breaches of Ontario securities law. When persons flout the restrictions imposed on them by orders of the Commission, these persons undermine investor confidence and the fairness and efficiency of our markets.

B. FACTS

Staff makes the following allegations of fact:

(1) Background

6. On March 10, 2004, in the United States District Court for the Southern District of Florida, Valentine pleaded guilty to one count of securities fraud contrary to sections 78j(b) and 78(ff) of Title 15 of the United States Criminal Code.
7. As a result of his guilty plea, Valentine was sentenced to a term of probation for four years, including nine months of home detention, and deported from the United States.
8. On December 16, 2004, Valentine entered into a settlement agreement with Staff, which the Commission approved by the OSC Order on December 23, 2004. The OSC Order required that he, among other things, resign all positions that he held as an officer or director of an

issuer and be permanently prohibited from becoming or acting as a director or officer of any issuer (**D&O Ban**). The Commission also ordered Valentine to cease trading in securities and removed his trading exemptions for a period of 15 years (**Trading Ban**).

9. In April 2006, the U.S. Securities and Exchange Commission issued an order prohibiting Valentine from participating in an offering of penny stocks.

(2) The Respondent

10. Valentine is a resident of Toronto, Ontario. He held the following registrations with the Investment Dealers Association (**IDA**) (now the Investment Industry Regulatory Organization of Canada) during the time periods specified below:
 - a. a salesperson for an IDA registrant from December 17, 1992 to November 25, 1994;
 - b. a salesperson for an IDA registrant from December 6, 1994 to November 10, 1995; and
 - c. a trading officer and a director with an IDA registrant from November 10, 1995 to July 10, 2002.

(3) Breaches of the D&O Ban

11. Valentine remained or became a director and/or officer of 38 Ontario issuers after the date of the OSC Order, in breach of the D&O Ban.
 - a. **Valentine Remained a Director and Officer of Q Capital and Wisdom Capital**
12. Prior to the OSC Order, Valentine became the President and Secretary of Q Capital Corporation (**Q Capital**) on July 24, 2002, the date of its incorporation. He was the sole director and officer of Q Capital. Valentine remained President, Secretary and a director of Q Capital after the OSC Order. He still holds those positions.

13. Wisdom Capital Partners Inc. (**Wisdom Capital**) was incorporated on June 26, 2001, before the OSC Order. Valentine became a director and the chairman on that day and remained a director and officer of Wisdom Capital after the OSC Order. He still holds those positions.
14. Valentine breached the D&O Ban and the OSC Order by remaining a director and officer of Q Capital and Wisdom Capital after the date of the OSC Order.

b. Valentine Became a Director and Officer of Issuers After the OSC Order

15. Valentine breached the D&O Ban by becoming a director and/or officer of 36 Ontario issuers after the date of the OSC Order. A list of these 36 Ontario issuers, their incorporation date, Valentine's positions, and the period for which he held those positions are set out in Schedule "A".

(4) Breaches of the Trading Ban

16. The Trading Ban was in effect from the date of the OSC Order on December 23, 2004 to December 22, 2019. During this period, Valentine violated the Trading Ban on multiple occasions by: (a) trading in shares; and (b) participating in and facilitating equity loans.

a. Valentine Traded in Shares of Flyp After the OSC Order

17. Valentine caused Pecunia Holdings Ltd. (**Pecunia**) to dispose of shares of Flyp Technologies Inc. (**Flyp**), an Ontario corporation, for valuable consideration.
18. On April 5, 2018, Pecunia sold 5,932,410 shares in Flyp for cash consideration of \$1,364,454.30. Valentine authorized the following documents necessary for the Flyp sale as "Authorized Agent" on behalf of Pecunia:
 - a. the Secondary Sale Share Purchase Agreement;
 - b. the Resolution of the Board of Director and Shareholders;

- c. the Resolutions of the Shareholders;
 - d. the Waiver of Right of First Refusal; and
 - e. the Release re the Secondary Sale Share Purchase Agreement.
19. On April 6, 2018, Pecunia was incorporated and Valentine became its sole officer and director.
20. From April 16, 2018 to May 14, 2018, Thalerventures Ltd. (**Thalerventures**) and Dupont Family Office Ltd. (**Dupont**) received transfers from Pecunia of about \$661,447 and \$178,390, respectively. These funds were proceeds of the Flyp share sale. Valentine was the President, Secretary, Treasurer, and a director of Thalerventures. He was a director and 50% shareholder of Dupont.
21. By executing the documents listed in paragraph 18 and participating in the sale of Flyp shares by Pecunia, Valentine breached the Trading Ban and OSC Order.

b. Valentine Participated in Equity Loans and Their Financing After the OSC Order

i. The Parties, the Financing and the Structure of the Equity Loans

22. Pinnacle Global Partners Fund I Ltd. (**PGP Fund**), a Cayman Islands corporation, provided funding to lenders. The lenders in turn entered into loans with borrowers which pledged Hong Kong listed equities as collateral against the loans (**Equity Loans**).
23. A United Kingdom based entity and its representative (collectively, the **UK Financier**) also provided funding to lenders which in turn entered into Equity Loans.
24. Great Wealth Asia Investment Limited (**Great Wealth**) is a Hong Kong corporation, which identified borrowers that would pledge Hong Kong listed equities as collateral for Equity Loans.

25. Jendens Equity Finance Ltd. (**Jendens**) is a Cayman Islands corporation, which acted as a lender. Bretonnia Capital Corp Ltd. (**Bretonnia**) is a Cayman Islands corporation, which also acted as a lender for Equity Loans.
26. The lenders entered into the Equity Loans on the basis that the lenders would sell the pledged equities to pay down the loans. The lenders were entitled to sell the pledged shares at any time after entering into the Equity Loans, even if the borrower had not defaulted on the loan.
27. Jendens and Bretonnia received funds from PGP Fund and/or the UK Financier and entered into Equity Loans with borrowers.

ii. Valentine's Role in the Equity Loans and Their Financing

28. Valentine's roles in the Equity Loans included sourcing financing from parties including PGP Fund and the UK Financier; analyzing pledged equities and assessing the parameters of the loans for the providers of funds; and facilitating communications among the parties.
29. Valentine introduced PGP Fund to Great Wealth for the purpose of PGP Fund financing Equity Loans.
30. Valentine also introduced Great Wealth to Jendens and to the UK Financier for the purpose of financing the Equity Loans.
31. Thalerventures and/or Pinnacle Global Partners Ltd. (**PGP**), both of which Valentine controlled, received a portion of the profits from these Equity Loans from PGP Fund and from Great Wealth on a deal-by-deal basis.
32. From 2015 to 2017, Thalerventures and PGP received shares of profit of these Equity Loans, and/or other compensation amounting to approximately \$4.3 million from Great Wealth on account of the Equity Loans. No one other than Valentine acted on behalf of Thalerventures and PGP on the Equity Loans.

33. From 2015 to 2016, PGP received wire transfers totaling US\$11,294,805 from PGP Fund which included descriptions including but not limited to “Funds Required For Purchase of HK1250 Security”, “Brokerage Fees Acquisition HK 607”, “Acquisition of Stock HK 1250”, “Acquisition of Stock HK 204, HK 712” and “Ref. Purchase of HK 204 Stock.”
34. At least four of the wire transfers from PGP Fund, totaling US\$2,549,940, were in respect of fees paid to PGP on Equity Loans. Valentine was the 100% shareholder and an officer and director of PGP.
35. By participating in and facilitating the Equity Loans, and by entering into agreements that entitled him to share in the profits from the Equity Loans, Valentine engaged in trading in securities in breach of the Trading Ban and the OSC Order.

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

Staff allege the following breaches of Ontario securities law and conduct contrary to the public interest:

36. By remaining a director or officer of approximately two Ontario corporations and becoming a director or officer of approximately 36 Ontario corporations as set out in Schedule “A”, Valentine breached the D&O Ban and acted contrary to the OSC Order and Ontario securities law.
37. By trading in shares of Flyp and by participating in and facilitating the Equity Loans as set out above, Valentine breached the Trading Ban and acted contrary to the OSC Order and Ontario securities law.
38. By engaging in the conduct set out above, Valentine engaged in conduct contrary to the public interest.

D. ORDERS SOUGHT

39. Staff request that the Commission make the following orders:

- a. that Valentine cease trading in any securities or derivatives permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- b. that Valentine be prohibited from acquiring any securities permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- c. that any exemption contained in Ontario securities law not apply to Valentine permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
- d. that Valentine be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- e. that Valentine resign any position he may hold as a director or officer of an issuer permanently or for such period as is specified by the Commission, pursuant to paragraph 7 of subsection 127(1) of the Act;
- f. that Valentine be prohibited permanently from becoming or holding a position as a director or officer of an issuer or for such period as is specified by the Commission, pursuant to paragraph 8 of subsection 127(1) of the Act;
- g. that Valentine resign any positions that he may hold as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;
- h. that Valentine be prohibited permanently from becoming or holding a position as a director or officer of a registrant or for such period as is specified by the Commission, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

- i. that Valentine be prohibited permanently from becoming or holding a position as a director or officer of an investment fund manager or for such period as is specified by the Commission, pursuant to paragraph 8.4 of subsection 127(1) of the Act;
 - j. that Valentine be prohibited permanently from becoming or acting as a registrant, as on investment fund manager or as a promoter or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
 - k. that Valentine pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
 - l. that Valentine disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
 - m. that Valentine pay costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
 - n. such other order as the Commission considers appropriate in the public interest.
40. Staff reserve the right to amend these allegations and to make such further allegations as Staff deem fit and the Commission may permit.

Dated this 18th day of March, 2022

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto, ON M5H

Rikin Morzaria
Senior Litigation Counsel
Tel: 416-597-7236
Email: rmorzaria@osc.gov.on.ca

Braden Stapleton
Litigation Counsel
Email: bstapleton@osc.gov.on.ca

Staff of the Enforcement Branch

Schedule “A”
List of Ontario Companies of which Mark Valentine
became a Director or Officer after the OSC Order

	Corporation	Incorporation Date	Valentine’s Position	Start Date	End Date
1.	120 Dunvegan Holdings Ltd.	March 12, 2014	Director, President and Secretary	March 12, 2014	Ongoing
2.	2276552 Ontario Inc.	March 3, 2011	Director, President and Secretary	February 25, 2014	Ongoing
3.	2276557 Ontario Inc.	March 3, 2011	Director, President and Secretary	February 25, 2014	Ongoing
4.	2474117 Ontario Ltd., formerly Bayspring International Ltd.	July 8, 2015	Director, President, Secretary and Treasurer	July 8, 2015	Ongoing
5.	25 Ritchie Avenue Holdings Ltd.	July 22, 2014	Director, President, Secretary and Treasurer	July 22, 2014	Ongoing
6.	25 Sheffield Holdings Ltd	July 5, 2017	Director, President and Secretary	July 5, 2017	Ongoing
7.	250 Spadina Road Holdings Ltd.	May 22, 2014	Director, President and Secretary	May 22, 2014	Ongoing
8.	2624672 Ontario Inc., The Ridge at Manitou Golf Club	March 9, 2018	Director, President and Secretary	March 9, 2018	Ongoing

	Corporation	Incorporation Date	Valentine's Position	Start Date	End Date
9.	2632216 Ontario Inc.	April 25, 2018	Director, President and Secretary	April 25, 2018	Ongoing
10.	346-350 Eglinton Avenue West Holdings Ltd.	May 1, 2014	Director, President, Secretary and Treasurer	May 1, 2014	November 27, 2015 or September 13, 2018
11.	352-356 Eglinton Avenue West Holdings Ltd.	April 23, 2014	Director, President and Secretary	April 23, 2014	November 27, 2015 or September 13, 2018
12.	4C-36 Hazelton Avenue Holdings Ltd.	February 23, 2016	Director, President and Secretary	February 23, 2016	Ongoing
13.	Boomphones Inc.	October 13, 2009	Director, Vice-President and Secretary	April 15, 2010	July 15, 2011
14.	Daily Life Living Corp.	November 5, 2009	Director	November 5, 2009	Ongoing
15.	Dupont Family Office Ltd.	February 27, 2018	Director	February 27, 2018	Ongoing
16.	Euro Dutch Investments Ltd.	July 29, 2014	Director	July 29, 2014	Ongoing
17.	Fetu Aviation Ltd.	April 15, 2015	Director, President and Secretary	April 15, 2015	September 1, 2017
18.	FLC Aviation Ltd.	August 6, 2015	Director	August 6, 2015	Ongoing
19.	Grand Master Acquirer Ltd.	June 3, 2014	Director	June 3, 2014	Ongoing

	Corporation	Incorporation Date	Valentine's Position	Start Date	End Date
20.	Lucky Air Ltd.	October 30, 2015	Director	October 30, 2015	November 11, 2015
21.	Luminext Corporation	March 26, 2012	Director and Secretary	October 4, 2013	June 18, 2019
22.	Mercom Capital Corp, formerly Valentine Media Corp.	September 23, 2010	Director, President and Secretary	September 23, 2010	Ongoing
23.	MRKS Holdings Inc.	April 16, 2014	Director, President and Secretary	April 16, 2014	Ongoing
24.	MRVL 18 Ltd.	September 28, 2018	Director	September 28, 2018	Ongoing
25.	Nevo Ltd.	August 13, 2014	Director and President	August 13, 2014	Ongoing
26.	Pecunia Holdings Ltd.	April 6, 2018	Director	April 6, 2018	Ongoing
27.	Peter Burton Technologies Ltd.	March 23, 2018	Director	March 23, 2018	Ongoing
28.	Peterburton Mineral Corp.	October 26, 2016	Director	October 26, 2016	July 14, 2017
29.	Pinnacle Global Media Partners Ltd.	March 30, 2015	Director and President	March 30, 2015	Ongoing

	Corporation	Incorporation Date	Valentine's Position	Start Date	End Date
30.	Pinnacle Global Partners Ltd.	March 30, 2015	Director	March 30, 2015	Ongoing
31.	Premier Selling Technologies Inc.	May 30, 2011	Director	May 30, 2011	July 14, 2011
32.	Scollard Family Office Holdings Inc.	February 14, 2014	Director, President and Secretary	February 14, 2014	Ongoing
33.	Sikara Operations Limited	July 27, 2012	Director	July 27, 2012	Ongoing
34.	Thalerventures Ltd.	September 5, 2013	Director, President, Secretary and Treasurer	September 5, 2013	Ongoing
35.	Transit Media Inc.	March 18, 2010	Director and Chief Executive Officer	July 7, 2010	Ongoing
36.	Two Tall Oaks Investment Corp.	June 10, 2014	Director	June 10, 2014	Ongoing