



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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File No.: 2021-13

**IN THE MATTER OF  
STRIKE HOLDINGS INC., KM STRIKE MANAGEMENT INC.,  
MICHAEL AONSO AND KEVIN CARMICHAEL**

**MOTION OF STAFF  
OF THE ONTARIO SECURITIES COMMISSION**  
(For Extension of a Temporary Order Under Subsections 127(8) and 127(1)  
of the *Securities Act*, RSO 1990 c S.5)

**A. ORDER SOUGHT**

Staff of the Ontario Securities Commission (**Staff**) requests that the Capital Markets Tribunal (**Tribunal**) make the following orders:

1. An Order extending the Temporary Order of the Commission dated November 25, 2021 signed by Commissioner and Chair of the Panel, Lawrence P. Haber, at a Hearing conducted on November 25, 2021, made with respect to Strike Holdings Inc. (**Strike Holdings**), KM Strike Management Inc. (**KMSM**), Michael Aonso (**Aonso**) and Kevin Carmichael (**Carmichael**) until the conclusion of the criminal proceedings against Aonso and Carmichael, pursuant to subsection 127(8) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);
2. If necessary, an Order abridging the time required for service pursuant to Rules 3 and 4(2) of the Capital Markets Tribunal *Rules of Procedure and Forms*; and
3. Such other Order as the Tribunal considers appropriate in the public interest.

**B. GROUNDS**

The grounds for the request are:

1. In July 2020, Staff commenced an investigation into Strike Holdings, KMSM, Aonso and Carmichael;
2. During the course of the investigation, Staff found evidence that Strike Holdings, KMSM, Aonso and Carmichael appeared to have traded securities without registration and without an exemption to the registration requirement, and without a prospectus having been filed or receipted and without an applicable exemption to the prospectus requirement contrary to subsections 25(1) and 53(1) of the Act, respectively;
3. Staff also investigated whether Strike Holdings, KMSM, Aonso and Carmichael have engaged in a course of conduct relating to securities that they know, or reasonably ought to know, perpetrated a fraud on any person or company, contrary to subsection 126.1(1)(b) of the Act;
4. On April 21, 2021, the Commission issued a temporary Order (the **Temporary Order**);
5. The Temporary Order provided that:
  - (a) pursuant to clause 2 of subsection 127(1) of the Act, all trading in any securities by Respondents shall cease;
  - (b) pursuant to clause 3 of subsection 127(1) of the Act, that the exemptions contained in Ontario securities law do not apply to the Respondents; and
  - (c) pursuant to subsection 127(6) of the Act, that the order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission;
6. On May 3, 2021, the Temporary Order was extended by the Commission pursuant to subsection 127(8) and paragraph 2 of subsection 127(1) of the Act until June 2, 2021;
7. On May 31, 2021, the Temporary Order was further extended by the Commission pursuant to subsection 127(8) and paragraph 2 of subsection 127(1) of the Act until December 2, 2021;

8. On November 25, 2021, the Temporary Order was further extended by the Commission pursuant to subsection 127(8) and paragraph 2 of subsection 127(1) of the Act until June 2, 2022;

9. On March 16, 2022, Aonso and Carmichael were charged with fraud, unregistered trading and other offences under the Act;

10. Aonso and Carmichael's first appearance in this matter was at the Milton Ontario Court of Justice on April 5, 2022;

11. The Trial Coordinator's Office of the Milton Ontario Court of Justice has advised that five week trials are currently being scheduled for spring 2023;

12. The Order sought by Staff is necessary to protect investors from serious and ongoing harm and is in the public interest;

13. Each of the Respondents has indicated that they do not oppose the order requested and will not be attending on this motion to extend the Temporary Order; and

14. Such further grounds as counsel may advise and the Tribunal may permit.

### **C. DOCUMENTS TO BE RELIED UPON**

The Applicant intends to rely on the following evidence at the Hearing:

1. Subsections 127(1) and 127(8) of the Act;
2. The Affidavit of Karen Kiang, to be filed; and
3. Such further evidence as counsel may advise and the Tribunal may permit.

**Date:** May 10, 2022.

**STAFF OF THE ONTARIO SECURITIES  
COMMISSION**

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