



Capital
Markets
Tribunal

Tribunal des
marchés
financiers

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**IN THE MATTER OF
SOLAR INCOME FUND INC., ALLAN GROSSMAN,
CHARLES MAZZACATO and KENNETH KADONOFF**

File No. 2019-35

Adjudicators: Timothy Moseley (chair of the panel)
William J. Furlong
Dale R. Ponder

January 11, 2023

ORDER

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

WHEREAS on September 13, 2022, the Capital Markets Tribunal held a hearing by videoconference, to consider the sanctions and costs that the Tribunal should impose on Solar Income Fund Inc. (**SIF Inc.**), Allan Grossman, Charles Mazzacato and Kenneth Kadonoff as a result of the findings in the Reasons and Decision on the merits, issued March 28, 2022;

ON READING the materials filed by the parties, and on hearing the submissions of the representatives for Staff of the Ontario Securities Commission and for SIF Inc., Allan Grossman, Charles Mazzacato and Kenneth Kadonoff;

IT IS ORDERED THAT:

1. pursuant to paragraphs 2 and 2.1 of s. 127(1) of the *Securities Act* (the **Act**):
 - a. SIF Inc. shall cease trading in any securities or derivatives, or acquiring any securities, permanently;
 - b. each of Grossman and Kadonoff is permanently prohibited from trading in any securities or derivatives, or acquiring any securities, except that after he has fully paid the amounts in paragraphs 5, 6, and 7 below, he may trade securities or derivatives, and acquire securities in a Registered Retirement Savings Plan, Registered Retirement Income Fund, Registered Education Savings Plan, Registered Disability Savings Plan or Tax-Free Savings Account (as those terms are defined in the *Income Tax Act*, RSC, 1985, c 1 (5th Supp)) of which only he, his spouse or his children are the

sole or joint legal and beneficial owners, through a registered dealer in Canada to whom he has given both a copy of this order and a certificate from the Commission confirming that he has paid the required amounts; and

- c. Mazzacato is permanently prohibited from trading in any securities or derivatives, or acquiring any securities, except that he may trade securities or derivatives, and acquire securities in a Registered Retirement Savings Plan, Registered Retirement Income Fund, Registered Education Savings Plan, Registered Disability Savings Plan or Tax-Free Savings Account (as those terms are defined in the *Income Tax Act*), of which only he, his spouse or his children are the sole or joint legal and beneficial owners, through a registered dealer in Canada to whom he has given a copy of this order;
2. pursuant to paragraph 3 of s. 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to any of the respondents, permanently;
3. pursuant to paragraphs 7, 8, 8.1 and 8.2 of s. 127(1) of the Act, Grossman, Mazzacato and Kadonoff shall resign any positions that they hold as directors or officers of any issuer or registrant, and are prohibited permanently from becoming or acting as directors or officers of any issuer or registrant, except that:
 - a. Mazzacato may continue as a director and officer of 2740753 Ontario Ltd.;
 - b. in respect of Kadonoff's role as director and officer of Mika Holdings Limited and 2741797 Ontario Inc., and as the nominee trustee for Mika Holdings Trust, the requirement to resign, and the prohibition, take effect on February 10, 2023, being thirty days after the date of this order; and
 - c. Kadonoff may, after he has fully paid the amounts in paragraphs 5, 6 and 7 below, continue as a director and officer of Mika Holdings Limited and 2741797 Ontario Inc., and as the nominee trustee for Mika Holdings Trust;
4. pursuant to paragraph 8.5 of s. 127(1) of the Act, the respondents are prohibited from becoming or acting as a registrant or as a promoter;
5. pursuant to paragraph 9 of s. 127(1) of the Act:
 - a. SIF Inc. shall pay to the Commission an administrative penalty of \$175,000;
 - b. Grossman shall pay to the Commission an administrative penalty of \$175,000;
 - c. Kadonoff shall pay to the Commission an administrative penalty of \$125,000;
 - d. Mazzacato shall pay to the Commission an administrative penalty of \$1,000: and

6. pursuant to paragraph 10 of s. 127(1) of the Act:
- a. SIF Inc. and Grossman are jointly and severally liable to disgorge to the Commission \$234,864.04; and
 - b. Kadonoff is, jointly and severally with SIF Inc. and Grossman, liable to disgorge to the Commission \$51,361.34, which amount forms part of the \$234,864.04 referred to in subparagraph 6a. above; and
7. pursuant to s. 127.1 of the Act:
- a. SIF Inc. shall pay costs to the Commission in the amount of \$37,500.00, for which amount Grossman and Kadonoff shall be jointly and severally liable; and
 - b. each of Grossman and Kadonoff shall pay costs to the Commission in the amount of \$37,500.00.

"Timothy Moseley"

Timothy Moseley

"William J. Furlong"

William J. Furlong

"Dale R. Ponder"

Dale R. Ponder