



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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## **IN THE MATTER OF AARON WOLFE**

### **STATEMENT OF ALLEGATIONS**

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

#### **A. OVERVIEW**

1. This case involves illegal insider trading, which is unfair to investors, erodes public confidence in Ontario's capital markets, and is a significant breach of Ontario securities law.
2. Aaron Wolfe ("Wolfe") engaged in illegal insider trading in November 2018 in the shares of Tahoe Resources Inc. ("Tahoe"), which at the time was a reporting issuer in Ontario and publicly listed on the Toronto Stock Exchange.
3. Wolfe obtained material non-public information from a third party to a proposed acquisition of Tahoe before the proposed acquisition was generally disclosed. With knowledge of this information, Wolfe purchased shares of Tahoe on November 9, 2018 and sold all of these shares five days later for a profit of \$125,064. His profitable trade was a result of illegal insider trading and a breach of Ontario securities law.

#### **B. FACTS**

The following allegations of fact are made:

**(a) Background**

4. Tahoe was a reporting issuer in Ontario with its securities publicly traded on the Toronto Stock Exchange under the symbol THO.

5. On November 14, 2018, Tahoe and Pan American Silver Corp. (“Pan American”) announced that the two companies had entered into a definitive agreement for Pan American to acquire Tahoe. The agreement and preceding negotiations had not been generally disclosed prior to the Announcement.

6. The Announcement was material in respect of Tahoe. After the Announcement, the closing price of Tahoe shares rose by 49% relative to the closing price of the previous day. Tahoe filed a material change report on November 26, 2018.

**(b) Insider Trading of Tahoe Shares**

7. Wolfe is a resident of Ontario. He has never been registered with the Ontario Securities Commission.

8. On or prior to November 9, 2018, Wolfe received material, non-public information from a third party to the Transaction who was in a special relationship with Tahoe (the “Third Party”). Wolfe knew or reasonably ought to have known that the Third Party was in a special relationship with Tahoe. Wolfe became a person in a special relationship with Tahoe.

9. On November 9, 2018, Wolfe, armed with knowledge of the material, non-public information received from the Third Party, purchased 100,000 shares in Tahoe valued at approximately \$302,935 in two accounts he controlled:

- a. 50,000 shares in the cash account of his investment corporation, Asset Strategy Corp. held at Echelon Wealth Partners Inc. (“Echelon”); and
- b. 50,000 shares in the Echelon margin account held under his wife’s name.

10. Wolfe had never purchased Tahoe shares prior to November 9, 2018.

11. At the time, Wolfe did not have sufficient cash to settle the purchases. On November 13, 2018, Wolfe wired \$100,000 to Echelon. Half of these funds came from a close personal friend on November 8, 2018 on a partial repayment of a loan. The other half came from Asset Strategy's line of credit. Wolfe took no further substantive steps to fund the remainder of his purchases prior to the Announcement.

12. Wolfe sold his Tahoe position on the morning of November 14, 2018. He realized a profit of \$125,064, a return of 41%, in five days.

**C. BREACH OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST:**

13. The following breach of Ontario securities law and conduct contrary to the public interest is alleged:

- a. Wolfe, while in a special relationship with Tahoe, traded securities of Tahoe with knowledge of material facts before the information was generally disclosed, contrary to subsection 76(1) of the *Securities Act*, R.S.O 1990, c. S.5, as amended (the "Act") and contrary to the public interest.

**D. ORDER SOUGHT**

14. It is requested that the Capital Markets Tribunal (the **Tribunal**) make an order pursuant to subsection 127(1) and section 127.1 of the Act to approve the settlement agreement dated February 17, 2023 entered into by Wolfe with respect to the matters set out herein.

**DATED** at Toronto, Ontario, this 17<sup>th</sup> day of February, 2023

**ONTARIO SECURITIES COMMISSION**

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