



Capital  
Markets  
Tribunal

Tribunal des  
marchés  
financiers

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**IN THE MATTER OF  
KALLO INC., JOHN CECIL AND SAMUEL PYO**

File No. 2023-12

**Adjudicator:** Tim Moseley

December 11, 2024

**ORDER**

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

WHEREAS on December 11, 2024, the Capital Markets Tribunal held a hearing at 20 Queen Street West, 17<sup>th</sup> Floor, Toronto, Ontario, to consider the Joint Request for a Settlement Hearing filed by Kallo Inc., John Cecil, and Samuel Pyo and the Ontario Securities Commission for approval of a settlement agreement dated November 28, 2024 (the **Settlement Agreement**);

ON READING the Statement of Allegations dated May 23, 2023, the Settlement Agreement, and the written submissions of the Commission, on hearing the submissions of representatives for the Commission and the respondents, and on being advised by the Commission that it has received payment from Kallo and Cecil in the amount of \$75,000, and from Pyo in the amount of \$5,000;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. with respect to Kallo:
  - a. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act* (the **Act**), trading in any securities or derivatives by Kallo cease permanently;
  - b. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by Kallo is prohibited permanently;
  - c. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions

contained in Ontario securities law do not apply to Kallo permanently; and

- d. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Kallo is prohibited from becoming or acting as a registrant (including an investment fund manager) or promoter permanently;

3. with respect to Cecil:

- a. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the *Act*, trading in any securities or derivatives, and the acquisition of any securities, by Cecil cease for a period of ten years, except that Cecil may trade in securities or derivatives or acquire securities in his own name, in accounts in which only he, his spouse or his children are the sole or joint legal and beneficial owners, solely through a registered dealer in Ontario, to whom Cecil must have given a copy of the Settlement Agreement and order;
- b. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Cecil for a period of ten years, except to the extent necessary to allow him to trade securities or derivatives or acquire securities, as permitted by the preceding paragraph;
- c. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the *Act*, Cecil resign all positions that he holds as a director or officer of any issuer, registrant, or investment fund manager;
- d. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the *Act*, Cecil be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager for a period of ten years, except that Cecil may become and/or act as a director or officer of an issuer other than a registrant or reporting issuer, as long the amounts required to be paid by paragraphs 4(a) and 4(b) below are paid in accordance with the schedule set out in paragraphs 4(c) and 4(d) below; and
- e. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Cecil be prohibited from becoming or acting as a registrant, including as an investment fund manager or as a promoter, for a period of ten years;

4. with respect to Kallo and Cecil:

- a. pursuant to paragraph 9 of subsection 127(1) of the *Act*, Kallo and Cecil shall pay to the Ontario Securities Commission an administrative penalty of \$200,000, jointly and severally;
- b. pursuant to section 127.1 of the *Act*, Kallo and Cecil shall pay to the Ontario Securities Commission costs of the investigation of \$50,000, jointly and severally;
- c. of the total \$250,000 reflected in paragraphs 4(a) and (b) above, Kallo and Cecil are jointly and severally liable to pay the remaining balance of \$175,000 to the Ontario Securities Commission on or before November 14, 2025; and
- d. until the amounts set out in paragraphs 4(a) and (b) are paid in full, the provisions of paragraphs 3(a), (b), (d), and (e) shall continue in force and without limitation as to time; and

5. with respect to Pyo:

- a. pursuant to section 127.1 of the *Act*, Pyo shall pay to the Ontario Securities Commission costs of the investigation of \$5,000;
- b. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the *Act*, trading in any securities or derivatives, and the acquisition of any securities, by Pyo cease for a period of four years, except that Pyo may trade in securities or derivatives or acquire securities in his own name, in accounts in which only he, his spouse or his children are the sole or joint legal and beneficial owners, solely through a registered dealer in Ontario, to whom Pyo must have given a copy of the Settlement Agreement and Order;
- c. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Pyo for a period of four years, except to the extent necessary to allow him to trade securities or derivatives or acquire securities as permitted by the preceding paragraph;
- d. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the *Act*, Pyo resign all positions that he holds as a director or officer of any reporting issuer, registrant, or investment fund manager;

- e. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the *Act*, Pyo be prohibited from becoming or acting as a director or officer of any reporting issuer, registrant, or investment fund manager for a period of four years; and
- f. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Pyo be prohibited from becoming or acting as a registrant, including as an investment fund manager or as a promoter, for a period of four years.

*"Tim Moseley"*

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Tim Moseley