



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.O. 1990, c. S.5, AS AMENDED**

**- and -**

**IN THE MATTER OF  
POWERWATER SYSTEMS, INC., DUNCAN CLEWORTH and  
POWERWATER USA LTD.**

**NOTICE OF HEARING  
(Subsections 127(1) and 127(10))**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), at the offices of the Commission, 20 Queen Street West, 17<sup>th</sup> Floor, commencing on June 26, 2014 at 11:00 a.m.;

**TO CONSIDER** whether, pursuant to paragraph 4 of subsection 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Powerwater Systems, Inc. (“PSI”) that:
  - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of PSI cease permanently or for such period as is specified by the Commission;
  - b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by PSI cease permanently or for such period as is specified by the Commission;

2. against Duncan Cleworth (“Cleworth”) that:
  - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Cleworth cease permanently or for such period as is specified by the Commission;
  - b. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Cleworth permanently or for such period as is specified by the Commission;
  - c. pursuant to paragraph 7 of subsection 127(1) of the Act, Cleworth resign any positions that he holds as director or officer of an issuer;
  - d. pursuant to paragraph 8 of subsection 127(1) of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an issuer permanently or for such period as is specified by the Commission;
  - e. pursuant to paragraph 8.1 of subsection 127(1) of the Act, Cleworth resign any positions that he holds as director or officer of a registrant;
  - f. pursuant to paragraph 8.2 of subsection 127(1) of the Act, Cleworth be prohibited from becoming or acting as an officer or director of a registrant permanently or for such period as is specified by the Commission;
  - g. pursuant to paragraph 8.3 of subsection 127(1) of the Act, Cleworth resign any positions that he holds as director or officer of an investment fund manager;
  - h. pursuant to paragraph 8.4 of subsection 127(1) of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an investment fund manager permanently or for such period as is specified by the Commission; and
  - i. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Cleworth be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter permanently or for such period as is specified by the Commission;

3. against Powerwater USA Ltd. (“PUL”) that:
  - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by PUL cease permanently or for such period as is specified by the Commission; and
4. To make such other order or orders as the Commission considers appropriate.

**BY REASON** of the allegations set out in the Statement of Allegations of Staff of the Commission dated May 14, 2014 and by reason of an order of the Banking Commissioner of the Connecticut Department of Banking, State of Connecticut dated October 21, 2013, and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that at the hearing on June 26, 2014 at 11:00 a.m., Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4095 and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place, the hearing may proceed in the absence of the party and such party is not entitled to any further notice of the proceeding.

**DATED** at Toronto this 14<sup>th</sup> day of May, 2014.

“Josee Turcotte”

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Josee Turcotte  
Acting Secretary to the Commission