

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

- AND -

**IN THE MATTER OF
IN THE MATTER OF GORD MCQUARRIE**

**ORDER
(Sections 37, 127(1), and 127.1)**

WHEREAS by Notice of Hearing dated June 11, 2008, the Ontario Securities Commission (the “Commission”) announced that it proposed to hold a hearing commencing on, June 18, 2008 to consider whether, pursuant to sections 37, 127, and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”) it is in the public interest to make orders, as specified therein, against Shallow Oil & Gas Inc. (“Shallow Oil”), Eric O’Brien (“O’Brien”), Abel Da Silva (“Da Silva”), Gurdip Singh Gahunia, also known as Michael Gahunia (“Gahunia”), Abraham Herbert Grossman, also known as Allen Grossman (“Grossman”), Marco Diadamo (“Diadamo”), Gord McQuarrie (“McQuarrie”), Kevin Wash (“Wash”), and William Mankofsky (“Mankofsky”);

AND WHEREAS on April 21st, 2009, the Commission issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Act, in relation to a hearing to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and the Respondent McQuarrie;

AND WHEREAS McQuarrie entered into a settlement agreement dated May 10th, 2008 (the “Settlement Agreement”) in which McQuarrie agreed to a settlement of the proceeding commenced by the Notice of Hearing dated June 11th, 2008, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and Statement of Allegations of Staff of the Commission, and upon hearing submissions from McQuarrie and from Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

- a. pursuant to clause 2 of subsection 127(1), trading in any securities by McQuarrie cease for a period of 4 years from the date of this Order;

- b. pursuant to clause 2.1 of subsection 127(1), the acquisition of any securities by McQuarrie is prohibited for a period of 4 years from the date of this Order;
- c. pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to McQuarrie for a period of 4 years from the date of this Order;
- d. pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1), McQuarrie shall be prohibited for a period of 4 years from the date of this Order from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- e. pursuant to clause 8.5 of subsection 127(1), McQuarrie shall be prohibited for a period of 4 years from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- f. pursuant to clause 9 of subsection 127(1), McQuarrie shall pay an administrative penalty of \$500 for his failure to comply with Ontario securities law. The \$500 administrative penalty shall be for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act. McQuarrie is to pay this sum in full on or before July 30, 2009;
- g. pursuant to clause 10 of subsection 127(1), McQuarrie shall disgorge to the Commission \$2,500, being the amount obtained by him as a result of non-compliance with securities law. The \$2,500 disgorged shall be for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act. McQuarrie is to pay \$250 per month commencing on the 1st day of the June, 2009 and continuing each month thereafter until the \$2,500 has been disgorged;
- h. pursuant to section 37, McQuarrie shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or in any class of security;
- i. pursuant to section 127.1, McQuarrie shall pay \$500 in respect of the costs of the investigation and the hearing incurred by or on behalf of the Commission within six months of the date of this Order; and,
- j. before the Settlement Agreement is published on the Commission website, the names of the investors in paragraphs 30 (including footnotes), 31, and 32 shall be redacted to protect the privacy interests of the investors.

DATED AT TORONTO this 12th day of May, 2009.

" Wendell S. Wigle "
Wendell S. Wigle, Q.C.

" Suresh Thakrar "
Suresh Thakrar, FICB