



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19^e étage
20, rue queen ouest
Toronto ON M5H 3S8

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

- AND -

IN THE MATTER OF

**SHALLOW OIL & GAS INC., ERIC O'BRIEN, ABEL DA SILVA,
GURDIP SINGH GAHUNIA also known as MICHAEL GAHUNIA,
ABRAHAM HERBERT GROSSMAN also known as ALLEN GROSSMAN, MARCO
DIADAMO, GORD McQUARRIE, KEVIN WASH, and WILLIAM MANKOFSKY**

ORDER

(Subsections 127(1) & 127(8))

WHEREAS on January 16, 2008, the Ontario Securities Commission (“the Commission”) issued a Temporary Order pursuant to subsections 127(1) and (5) of the Securities Act R.S.O. 1990, c. S.5, as amended (the “Act”) that: (i) all trading in securities by Shallow Oil & Gas Inc. (“Shallow Oil”) shall cease and that all trading in Shallow Oil securities shall cease; and (ii) Eric O’Brien (“O’Brien”), Abel Da Silva (“Da Silva”), Gurdip Singh Gahunia, also known as Michael Gahunia (“Gahunia”), and Abraham Herbert Grossman, also known as Allen Grossman (“Grossman”), cease trading in all securities (the “Temporary Order”);

AND WHEREAS on January 16, 2008, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on January 18, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, such hearing to be held on January 30, 2008;

AND WHEREAS hearings to extend the Temporary Order were held on January 30 and January 31, 2008, and March 31, 2008, and the Temporary Order was extended by the Commission on January 31 and March 31, 2008;

AND WHEREAS Staff of the Commission (“Staff”) filed a Statement of Allegations dated June 10, 2008 with the Commission;

AND WHEREAS on June 11, 2008, the Commission issued a Notice of Hearing for June 18, 2008 to consider, among other things:

- (a) the issuance of a temporary cease trade order against Marco Diadamo (“Diadamo”), Gord McQuarrie (“McQuarrie”), Kevin Wash (“Wash”), and William Mankofsky (“Mankofsky”); and,
- (b) the extension of the original Temporary Order dated January 16, 2008;

AND WHEREAS on June 18, 2008, a hearing was held and Staff and Grossman appeared, presented evidence and made submissions, and Diadamo, McQuarrie, and Mankofsky appeared before a panel of the Commission and made submissions as to the issuance of a temporary cease trade order against them;

AND WHEREAS on June 18, 2008, the panel of the Commission considered the evidence and submissions of Staff and Grossman, and the submissions of Diadamo, McQuarrie, and Mankofsky;

AND WHEREAS on June 18, 2008, the panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that:

- (a) the Temporary Order as against Shallow Oil, O’Brien, Da Silva, and Grossman be extended until the conclusion of the hearing on the merits in this matter; and
- (b) the Temporary Order as against Gahunia be extended until November 26, 2008;

AND WHEREAS on June 18, 2008, the panel of the Commission ordered, pursuant to subsection 127(5) of the Act, that Diadamo, McQuarrie, Wash, and Mankofsky cease trading in any securities (the “Second Temporary Order”), with the following exception:

Diadamo shall be permitted to trade in securities that are listed on a public exchange recognized by the Commission and only in his own existing trading accounts.

Furthermore, any such trading by Diadamo shall be for his sole benefit and only through a dealer registered with the Commission;

AND WHEREAS on June 18, 2008, the panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Second Temporary Order be extended until November 26,

2008 and that the hearing with respect to the Second Temporary Order in this matter be adjourned to November 25, 2008;

AND WHEREAS on November 25, 2008, a hearing was held and Staff and McQuarrie appeared before a Panel of the Commission and made submissions as to the extension of the Temporary Order and the Second Temporary Order;

AND WHEREAS on November 25, 2008, the panel of the Commission considered the submissions of Staff and McQuarrie;

AND WHEREAS on November 25, 2008, the panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that:

- (a) the Temporary Order is extended as against Gahunia until the conclusion of the hearing on the merits in this matter and the Second Temporary Order is extended as against Diadamo, McQuarrie, Wash, and Mankofsky until the conclusion of the hearing on the merits in this matter; and,
- (b) the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 is adjourned to June 4, 2009 for a status hearing;

AND WHEREAS on May 10, 2009, McQuarrie and Staff entered into a settlement agreement with respect to the allegations against McQuarrie in the Statement of Allegations dated June 10, 2008 and that agreement was subsequently approved by a panel of the Commission;

AND WHEREAS on July 17, 2009, Mankofsky and Staff entered into a settlement agreement with respect to the allegations against Mankofsky in the Statement of Allegations dated June 10, 2008 and that agreement was subsequently approved by a panel of the Commission;

AND WHEREAS on June 4 and September 10, 2009, status hearings were held before the Commission and, on each date, a panel of the Commission ordered that the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 be adjourned;

AND WHEREAS on January 12, 2010, a status hearing was held commencing at 10:00 a.m. and Staff appeared before a panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on January 12, 2010, Shallow Oil, O'Brien, Da Silva, Gahunia, Grossman, Diadamo and Wash did not appear;

AND WHEREAS on January 12, 2010, the panel of the Commission considered the submissions of Staff;

IT IS HEREBY ORDERED that the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 is adjourned to June 28, 2010 at 10:00 a.m. for the purpose of a status hearing.

DATED at Toronto this 12th day of January, 2010.

"David L. Knight"

David L. Knight, FCA