



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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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 MBS GROUP (CANADA) LTD., BALBIR AHLUWALIA AND
MOHINDER AHLUWALIA**

**TEMPORARY ORDER
(Subsections 127(1) & 127(5))**

WHEREAS it appears to the Ontario Securities Commission (the “Commission”) that:

1. MBS Group (Canada) Ltd. (“MBS Group”) is a corporation incorporated pursuant to the laws of Ontario;
2. Mohinder Ahluwalia (“Mohinder”) is a resident of Ontario and a director of MBS Group;
3. Balbir Ahluwalia (“Balbir”) is a resident of Ontario and a director of MBS Group;
4. From approximately June 2004 to June 2007 (the “Material Time”), MBS Group, Balbir and Mohinder, collectively the “Respondents”, directly and/or through representatives, distributed, offered for sale, and sold shares in The Electrolinks Corporation (“Electrolinks”) to members of the public in Ontario;
5. During the Material Time, the Respondents engaged in and held themselves out as engaging in the business of trading in securities;
6. During the Material Time, Electrolinks was not a reporting issuer and the Electrolinks securities were not qualified by a prospectus;
7. None of the Respondents have ever been registered with the Commission in any capacity;

AND WHEREAS on June 30, 2011, the Commission issued a Notice of Hearing accompanied by Staff’s Statement of Allegations, alleging the following:

- (i) that the Respondents traded in securities without being registered to trade in securities, contrary to subsection 25(1) of *Securities Act* R.S.O. 1990, c. S.5, as amended, (“the Act”) and contrary to the public interest;
- (ii) that the actions of the Respondents related to the sale of securities of Electrolinks constituted distributions of securities of Electrolinks where no preliminary prospectus and prospectus were issued nor received by the Director, contrary to subsection 53(1) of the Act and contrary to the public interest;
- (iii) that Balbir being a director and/or officer of MBS Group authorized, permitted or acquiesced in the violations of subsections 25(1) and 53(1) of the Act, as set out above, by MBS Group or by the salespersons, representatives or agents of MBS Group, contrary to section 129.2 of the Act and contrary to the public interest; and
- (iv) that Mohinder being a director and/or officer of MBS Group authorized, permitted or acquiesced in the violations of subsections 25(1) and 53(1) of the Act, as set out above, by MBS Group or by the salespersons, representatives or agents of MBS Group, contrary to section 129.2 of the Act and contrary to the public interest;

AND WHEREAS by Notice of Motion dated August 5, 2011, Staff brought a motion for a temporary cease trade and removal of exemptions order on notice to the Respondents;

AND WHEREAS on August 17, 2011, Staff, Balbir and Mohinder attended before the Commission and Balbir and Mohinder consented to the making of a temporary cease trade and removal of exemptions order;

AND WHEREAS the Commission ordered that (i) pursuant to clause 2 of subsection 127(1) of the Act that MBS Group, Mohinder and Balbir cease trading in all securities, with the exception that Mohinder and Balbir are permitted to trade securities in mutual funds through a registered dealer for the account of their own respective registered retirement savings plans (as defined in the *Income Tax Act* (Canada)); and (ii) pursuant to clause 2 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to MBS Group, Mohinder and Balbir (the “Temporary Order”);

AND WHEREAS the Commission further ordered that the Temporary Order take effect immediately and expire on September 2, 2011 unless extended by order of the Commission and

that the hearing to consider an extension of the temporary order be scheduled for September 1, 2011 at 10:00 a.m.;

AND WHEREAS on September 1, 2011, Staff, Balbir and Mohinder attended before the Commission;

AND WHEREAS Balbir consented to the extension of the Temporary Order;

AND WHEREAS Mohinder consented to the extension of the Temporary Order but requested that he be permitted to sell securities which he currently holds;

AND WHEREAS the Commission ordered that the Temporary Order be extended until December 2, 2011 with the exception that Mohinder may direct Mackie Research Capital Corporation to sell securities held in his accounts with them as of September 1, 2011 to liquidate those accounts;

AND WHEREAS the Commission ordered that the hearing to consider a further extension of the Temporary Order be scheduled for December 1, 2011 at 10:00 a.m. at the offices of the Commission;

AND WHEREAS on notice to the parties, the hearing to consider a further extension of the Temporary Order was rescheduled to November 29, 2011 at 10:00 a.m.;

AND WHEREAS on November 29, 2011, Staff, Balbir and Mohinder attended before the Commission;

AND WHEREAS Staff requested that the Commission set dates for the hearing on the merits and that the Temporary Order be extended to the conclusion of the hearing on the merits;

AND WHEREAS Balbir and Mohinder advised the Commission that they were still in the process of retaining counsel and requested additional time to retain counsel to represent them in this matter;

AND WHEREAS Balbir and Mohinder did not oppose an extension of the Temporary Order but requested that they be permitted to trade for their own account, in exchange traded securities, through a registered dealer;

AND WHEREAS Staff did not oppose the request;

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

IT IS HEREBY ORDERED that the Temporary Order is extended until the conclusion of the hearing on the merits with the exception that Balbir and Mohinder are, individually, permitted to trade for their own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that they do not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; or (b) any security issued by a mutual fund that is a reporting issuer;

IT IS FURTHER ORDERED that a pre-hearing conference is scheduled for January 13, 2012 at 10:00 a.m. at the offices of the Commission at which time the Commission will set dates for the hearing on the merits in this matter.

DATED at Toronto this 29th day of November, 2011.

“James E. A. Turner”

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