



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
NICHOLAS DAVID REEVES**

**ORDER
(Subsections 127(1) and 127(10))**

WHEREAS on March 22, 2012, the Ontario Securities Commission (the “**Commission**”) issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”) in respect of Nicholas David Reeves (“**Reeves**”);

AND WHEREAS on March 22, 2012, Staff of the Commission (“**Staff**”) filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on May 30, 2012, the Commission held a hearing to consider whether it is in the public interest to make an inter-jurisdictional enforcement order against Reeves pursuant to subsections 127(1) and 127(10) of the Act;

AND WHEREAS Staff appeared and made oral submissions, supported by Staff’s written submissions, Brief of Authorities and Application Record, which included: the Notice of Hearing issued by the Alberta Securities Commission (the “**ASC**”) on June 21, 2010 with respect to Reeves (2010 ABASC 281); the Decision on the Merits in the matter of Reeves issued by the ASC on December 14, 2010 (2010 ABASC 572) (the “**ASC Merits Decision**”); and the Decision on Sanctions and Costs in the same matter issued by the ASC on February 28, 2011 (2011 ABASC 107) (the “**ASC Sanctions and Costs Decision**”);

AND WHEREAS Reeves did not appear, although the Affidavit of Nancy Poyhonen, sworn May 29, 2012, indicates that he was served with notice of the hearing;

AND WHEREAS the Commission considered the submissions and materials before it;

AND WHEREAS Reeves is subject to an order made by the ASC, which is a securities regulatory authority, that imposed sanctions, conditions, restrictions or requirements on Reeves within the meaning of clause 4 of subsection 127(10) of the Act;

AND WHEREAS in the ASC Merits Decision, there is evidence that shows that Reeves solicited investment and sold securities on several occasions to at least one investor who was an Ontario resident;

AND WHEREAS in the ASC Merits Decision, the ASC found that Reeves (i) illegally distributed securities, contrary to section 110 of the Alberta *Securities Act*, R.S.A. 2000, c. S-4 (the “ASA”); (ii) made a misrepresentation contrary to subsection 92(4.1) of the ASA; (iii) perpetrated a fraud contrary to section 93 of the ASA; and (iv) acted contrary to the public interest;

AND WHEREAS in the ASC Sanctions and Costs Decision, the ASC ordered in the public interest, among other things, that:

- (a) pursuant to subsections 198(1)(b) and (c) of the ASA, Reeves cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to him, permanently, except that he is not precluded from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Sanctions and Costs Decision) in:
 - (i) registered retirement savings plans, registered retirement income funds or tax-free savings accounts (as defined in the *Income Tax Act (Canada)*) or locked-in retirement accounts for Reeves’ benefit;
 - (ii) one other account for Reeves’ benefit; or
 - (iii) both, provided that:

- (1) the securities are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund that is a reporting issuer; and
 - (2) Reeves does not own legally or beneficially more than 1% of the outstanding securities of the class or series of the class in question;
- (b) pursuant to subsections 198(1)(d) and (e) of the ASA, Reeves resign all positions he holds as a director or officer of any issuer, registrant or investment fund manager, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager, permanently;
 - (c) pursuant to subsection 198(1)(e.2) of the ASA, Reeves is prohibited from becoming or acting as a registrant, investment fund manager or promoter, permanently;

AND WHEREAS the Commission is entitled to make public interest orders under its jurisdiction recognized by subsection 127(10) of the Act, notwithstanding the fact that the underlying conduct occurred prior to the coming into force of subsection 127(10) of the Act on November 27, 2008;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order, pursuant to subsections 127(1) and 127(10) of the Act;

IT IS ORDERED THAT:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Reeves shall cease permanently, except that he is allowed to trade in securities through a registrant in:
 - (i) registered retirement savings plans, registered retirement income funds or tax-free savings accounts (as defined in the *Income Tax Act (Canada)*) or locked-in retirement accounts for Reeves' benefit;
 - (ii) one other account for Reeves' benefit; or
 - (iii) both, provided that:

- (1) the securities are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund that is a reporting issuer; and
 - (2) Reeves does not own legally or beneficially more than 1% of the outstanding securities of the class or series of the class in question;
- (b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Reeves is prohibited permanently, except that he is allowed to acquire securities through a registrant in:
- (i) registered retirement savings plans, registered retirement income funds or tax-free savings accounts (as defined in the *Income Tax Act (Canada)*) or locked-in retirement accounts for Reeves' benefit;
 - (ii) one other account for Reeves' benefit; or
 - (iii) both, provided that:
 - (1) the securities are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund that is a reporting issuer; and
 - (2) Reeves does not own legally or beneficially more than 1% of the outstanding securities of the class or series of the class in question;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Reeves permanently;
- (d) pursuant to clause 7 of subsection 127(1) of the Act, Reeves shall resign any positions that he holds as a director or officer of an issuer;
- (e) pursuant to clause 8 of subsection 127(1) of the Act, Reeves is prohibited from becoming or acting as a director or officer of an issuer permanently;
- (f) pursuant to clause 8.1 of subsection 127(1) of the Act, Reeves shall resign any positions that he holds as a director or officer of a registrant;

- (g) pursuant to clause 8.2 of subsection 127(1) of the Act, Reeves is prohibited from becoming or acting as a director or officer of a registrant permanently;
- (h) pursuant to clause 8.3 of subsection 127(1) of the Act, Reeves shall resign any positions that he holds as a director or officer of an investment fund manager;
- (i) pursuant to clause 8.4 of subsection 127(1) of the Act, Reeves is prohibited from becoming or acting as a director or officer of an investment fund manager permanently; and
- (j) pursuant to clause 8.5 of subsection 127(1) of the Act, Reeves is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter permanently.

DATED at Toronto this 30th day of May, 2012.

“Edward P. Kerwin”

Edward P. Kerwin