



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
DAVID CHARLES PHILLIPS**

**ORDER
(Subsection 127(1))**

WHEREAS on May 15, 2012 the Ontario Securities Commission (the “Commission”) issued an order (the “Temporary Order”) pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the “Act”) containing allegations against David Charles Phillips (“Phillips”), and ordering that:

1. Phillips shall cease trading in all securities;
2. any exemptions contained in Ontario securities law do not apply Phillips; and
3. the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on May 16, 2012, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on May 30, 2012;

AND WHEREAS counsel to Phillips advised Staff of the Commission (“Staff”) that Phillips intended to challenge any extension of the Temporary Order;

AND WHEREAS on May 29, 2012, Staff filed its Factum and Brief of Authorities and certain evidence in support of an extension of the Temporary Order;

AND WHEREAS on May 30, 2012, Staff and counsel to Phillips appeared before the Commission to ask that the hearing be adjourned to June 6, 2012 and the Temporary Order extended;

AND WHEREAS on May 30, 2012, the Commission adjourned the hearing to June 6, 2012, and ordered the Temporary Order be extended to June 8, 2012, or until further Order of the Commission;

AND WHEREAS on June 4, 2012, the Commission issued a Notice of Hearing and Staff filed a Statement of Allegations in the related matter of *David Charles Phillips and John Russell Wilson* (“the *Phillips and Wilson* proceeding”);

AND WHEREAS on June 6, 2012, the Commission heard evidence and submissions from Staff and counsel for Phillips on the issue of whether the Temporary Order should be extended for a further period of time;

AND WHEREAS the Commission was satisfied that Staff had provided sufficient evidence of conduct that may be harmful to the public interest and, accordingly, in the public interest, justified an extension of the restrictions set out in the Temporary Order;

AND WHEREAS at the conclusion of the hearing on June 6, 2012, the panel made an order (the “June 6, 2012 Order”) that:

- (a) The Temporary Order dated May 15, 2012, as varied by (b) below, is extended for a period ending Friday, September 28, 2012;
- (b) During this extended period, Phillips shall cease trading in all securities, except for trades made through a registrant for his own account or for the account of his “registered retirement savings plans”, “registered retirement income fund” or “tax free savings account” (as those terms are defined in the *Income Tax Act* (Canada)) in respect of (i) government debt securities within the scope of clause 1 of subsection 35(1) of the Act, and (ii) those securities that are listed and posted for trading on the Toronto Stock Exchange or the New York Stock Exchange (or their successor exchanges); and

(c) During this extended period, any exemptions contained in Ontario securities law do not apply to Phillips.

AND WHEREAS on August 28, 2012, the Commission ordered that the hearing of the merits in the *Phillips and Wilson* proceeding shall commence on February 11, 2013, and will continue on certain dates, if necessary, until March 6, 2013;

AND WHEREAS on September 19, 2012, Staff filed evidence in support of an extension of the June 6, 2012 Order;

AND WHEREAS counsel to Phillips advised Staff that Phillips does not oppose an extension of the June 6, 2012 Order;

AND WHEREAS the Commission is satisfied that it is in the public interest to extend the June 6, 2012 Order;

IT IS ORDERED THAT:

The June 6, 2012 Order is extended until the conclusion of the hearing on the merits in the *Phillips and Wilson* proceeding;

DATED at Toronto this 26th day of September 2012.

“Edward P. Kerwin”

Edward P. Kerwin