



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
RICHVALE RESOURCE CORPORATION, MARVIN WINICK,
HOWARD BLUMENFELD, JOHN COLONNA, PASQUALE SCHIAVONE,
and SHAFI KHAN**

**ORDER
(Sections 37, 127 and 127.1 of the *Securities Act*)**

WHEREAS on November 10, 2010, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) (the “Notice of Hearing”) in connection with a Statement of Allegations filed by Staff of the Commission (“Staff”) on November 10, 2010, to consider whether it is in the public interest to make certain orders against Richvale Resource Corporation (“Richvale”), Marvin Winick (“Winick”), Howard Blumenfeld (“Blumenfeld”), Pasquale Schiavone (“Schiavone”), Shafi Khan (“Khan”) and John Colonna (“Colonna”);

AND WHEREAS on September 13, 2011, Staff filed an Amended Statement of Allegations;

AND WHEREAS on October 14, 2011, the Commission approved settlement agreements between Staff and each of Winick, Blumenfeld, Khan and Colonna (*Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10774; *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10775; *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10776; and *Re Richvale Resource Corporation* (2011), 34 O.S.C.B. 10778, respectively);

AND WHEREAS the Commission conducted the hearing on the merits, partially in writing, with respect to Richvale and Schiavone on October 26, 2011 and January 12, 2012;

AND WHEREAS on April 25, 2012, the Commission issued its Reasons and Decision on the merits in this matter (*Re Richvale Resource Corporation* (2011), 35 O.S.C.B. 4286 (the “Merits Decision”));

AND WHEREAS the Commission is satisfied that Richvale and Schiavone have not complied with Ontario securities law and have acted contrary to the public interest, as described in the Merits Decision;

AND WHEREAS on June 8 and 22, 2012, the Commission held a hearing with respect to the sanctions and costs to be imposed in this matter;

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

IT IS ORDERED:

1. With respect to Richvale that:

- (a) Richvale shall cease trading in securities permanently, pursuant to clause 2 of subsection 127(1) of the Act;
- (b) the acquisition of any securities by Richvale is prohibited permanently, pursuant to clause 2.1 of subsection 127(1) of the Act;
- (c) any exemptions contained in Ontario securities law do not apply to Richvale permanently, pursuant to clause 3 of subsection 127(1) of the Act;
- (d) Richvale is prohibited permanently from calling at any residence or telephoning from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to subsection 37(1) of the Act;
- (e) Richvale is jointly and severally liable, together with Schiavone, to disgorge to the Commission the amount of \$295,700 obtained as a result of its non-compliance with Ontario securities law, pursuant to clause 10 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
- (f) Richvale shall pay, on a joint and several basis with Schiavone, the amount of \$39,666.62 representing costs and disbursements incurred by the Commission in the hearing of this matter, pursuant to subsection 127.1(2) of the Act.

2. With respect to Schiavone that:

- (a) Schiavone shall cease trading in securities permanently, pursuant to clause 2 of subsection 127(1) of the Act;
- (b) the acquisition of any securities by Schiavone is prohibited permanently, pursuant to clause 2.1 of subsection 127(1) of the Act;
- (c) any exemptions contained in Ontario securities law do not apply to Schiavone permanently, pursuant to clause 3 of subsection 127(1) of the Act;
- (d) Schiavone is reprimanded, pursuant to clause 6 of subsection 127(1) of the Act;
- (e) Schiavone shall resign all positions as director or officer of an issuer, pursuant to clause 7 of subsection 127(1) of the Act;
- (f) Schiavone is prohibited permanently from becoming or acting as officer or director of any issuer, registrant or investment fund manager, pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- (g) Schiavone is prohibited permanently from calling at any residence or telephoning from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to subsection 37(1) of the Act;
- (h) Schiavone shall pay an administrative penalty in the amount of \$300,000, pursuant to clause 9 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (i) Schiavone shall disgorge the amount of \$43,300 individually and shall be jointly and severally liable, together with Richvale, to disgorge the amount of \$295,700 obtained as a result of his non-compliance with Ontario securities law, pursuant to clause 10 of subsection 127(1) of the Act, to be designated by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
- (j) Schiavone shall pay, on a joint and several basis with Richvale, the amount of \$39,666.62 representing costs and disbursements incurred by the Commission in the hearing of this matter, pursuant to subsection 127.1(2) of the Act.

Dated at Toronto this 21st day of November, 2012.

“Edward P. Kerwin”

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