



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 SHALLOW OIL & GAS INC., ERIC O'BRIEN, ABEL DA SILVA,
ABRAHAM HERBERT GROSSMAN also known as ALLEN GROSSMAN
and KEVIN WASH**

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

WHEREAS on June 11, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Shallow Oil & Gas Inc. ("Shallow Oil"), Eric O'Brien ("O'Brien"), Abel Da Silva ("Da Silva"), Gurdip Singh Gahunia also known as Michael Gahunia ("Gahunia"), Abraham Herbert Grossman also known as Allen Grossman ("Grossman"), Marco Diadamo ("Diadamo"), Gordon McQuarrie ("McQuarrie"), Kevin Wash ("Wash") and William Mankofsky ("Mankofsky");

AND WHEREAS on June 10, 2008, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of that matter;

AND WHEREAS on May 12, 2009, the Commission approved a settlement agreement between Staff and McQuarrie and issued a sanctions order against him;

AND WHEREAS on July 24, 2009, the Commission approved a settlement agreement between Staff and Mankofsky and issued a sanctions order against him;

AND WHEREAS on December 16, 2010, the Commission approved a settlement agreement between Staff and Gahunia and issued a sanctions order against him;

AND WHEREAS on December 9, 2011, the Commission approved a settlement agreement between Staff and Diadamo and issued a sanctions order against him;

AND WHEREAS on May 18, 2011, the Ontario Court of Justice (the "Ontario Court") found Shallow Oil, O'Brien, Da Silva and Grossman (the "Respondents" and individually a "Respondent") guilty on a total of 18 counts of breaching Ontario securities law;

AND WHEREAS on June 15, 2011, the Ontario Court sentenced Grossman to three years in prison, to be served consecutively to any other prison sentences against him;

AND WHEREAS on November 15, 2011, the Ontario Court sentenced each of O'Brien and Da Silva to 27 months in prison, to be served consecutively to any other prison sentences against either of them, respectively;

AND WHEREAS on May 14, 2012, the Commission issued an Amended Notice of Hearing and Staff filed an Amended Statement of Allegations to rely upon the decisions of the Ontario Court relating to the Respondents in imposing sanctions under subsection 127(1) of the Act in reliance on subsection 127(10) of the Act;

AND WHEREAS on October 29, 2012, Wash entered into an agreed statement of facts in which he admitted to unregistered trading in securities contrary to subsection 25(1)(a) of the Act, illegal distributions contrary to subsection 53(1) of the Act and perpetrating a fraud on investors in Ontario and elsewhere in Canada contrary to subsection 126.1(b) of the Act;

AND WHEREAS on November 15, 2012, the Commission conducted a hearing and imposed sanctions on Wash;

AND WHEREAS each of the Respondents has been found by the Ontario Court to have (i) been convicted of an offence arising from a transaction, business or course of conduct related to securities within the meaning of subsection 127(10)1 of the Act, and (ii) contravened the laws of Ontario respecting the buying and selling of securities within the meaning of subsection 127(10)3 of the Act;

AND WHEREAS I find that it is in the public interest to issue this order pursuant to subsection 127(1) of the Act:

IT IS HEREBY ORDERED THAT:

- (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in securities by any of the Respondents shall cease permanently;
- (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by any of the Respondents is prohibited permanently;
- (c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to any of the Respondents permanently;
- (d) pursuant to paragraph 6 of subsection 127(1) of the Act, each of the Respondents is reprimanded;
- (e) pursuant to paragraph 7 of subsection 127(1) of the Act, each of O'Brien, Da Silva and Grossman shall resign any positions that he holds as a director or officer of any issuer;

- (f) pursuant to paragraph 8 of subsection 127(1) of the Act, each of O'Brien, Da Silva and Grossman is prohibited permanently from becoming or acting as a director or officer of any issuer;
- (g) pursuant to paragraph 8.1 of subsection 127(1) of the Act, each of O'Brien, Da Silva and Grossman shall resign any positions that he holds as a director or officer of any registrant; and
- (h) pursuant to paragraph 10 of subsection 127(1) of the Act, the Respondents shall disgorge to the Commission, on a joint and several basis, \$205,000, which amount is designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) (i) or (ii) of the Act.

DATED at Toronto this 21st day of December, 2012.

“James E. A. Turner”

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