



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 VINCENT CICCONE and CABO CATOCHE CORP. (a.k.a.
MEDRA CORP. and MEDRA CORPORATION)**

ORDER

WHEREAS on October 3, 2011, 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 connection with a Statement of Allegations filed by Staff of the Commission (“Staff”) on September 30, 2011, with respect to Vincent Ciccone (“Ciccone”) and Medra Corp.;

AND WHEREAS on May 3, 2012, the Commission issued an Amended Notice of Hearing in connection with an Amended Statement of Allegations filed by Staff on May 2, 2012, to amend the title of proceedings by replacing the name “Medra Corp.” with “Cabo Catoche Corp. (a.k.a Medra Corp. and Medra Corporation)” (collectively, “Medra”);

AND WHEREAS on September 7, 2012, the Commission approved a Settlement Agreement between Staff and Ciccone;

AND WHEREAS the Office of the Secretary received an e-mail dated September 5, 2012, from a representative of Medra requesting Staff disclose all relevant documents in their possession by sending copies of said documents to Medra at its offices in Mexico:

AND WHEREAS the Panel convened the hearing on the merits of the allegations against Medra (the “Merits Hearing”) and, as a preliminary matter, heard submissions from Staff on

September 7 and 13, 2012, on the issue of Staff's disclosure obligations with respect to Medra, including submissions on the law, policy, jurisprudence and its position on this issue, no one appearing on behalf of Medra despite proper notice having been given;

AND WHEREAS on September 20, 2012, the Panel reconvened the Merits Hearing for the purposes of giving the Panel's ruling on the disclosure issue, at which Staff appeared but no one appeared on behalf of Medra;

AND WHEREAS on September 20, 2012, the Panel ruled that Staff had not met its disclosure obligations to Medra, such obligations requiring Staff to provide copies of the disclosure material to Medra in accordance with its written request for copies of the material;

AND WHEREAS the Panel issued an Order dated September 20, 2012, that stated:

- (i) Subject to the receipt from Medra of a written undertaking to comply with the terms of this Order as described in subparagraph (iii)(e) below, Staff shall provide copies of all relevant materials in their possession ("the Material") to Medra, subject to redaction of personal information relating to third parties;
- (ii) If Medra believes that any of the redacted information is necessary for the purpose of making full answer and defence to the allegations made against it in these proceedings, Medra may bring a motion pursuant to Rule 3 of the *Commission Rules of Procedure* for a determination as to whether the redacted information is relevant to said allegations;
- (iii) The Material will be provided to Medra on the following conditions:
 - (a) Medra and its counsel shall not use the Material for any purposes other than for making full answer and defence to the allegations made against it in these proceedings;
 - (b) any use of the Material other than for the purpose of making full answer and defence to the allegations made against Medra in these proceedings will constitute a violation of this order;
 - (c) Medra and its counsel shall maintain custody and control over the Material, so that copies of the Material are not improperly disseminated;

- (d) the Material shall not be used for a collateral or ulterior purpose, including for purposes of other proceedings; and
- (e) Medra shall sign an undertaking accepting the conditions set out at subparagraphs (a) to (d) above prior to any Material being provided to Medra by Staff, which undertaking shall be signed and returned to Staff within 5 business days of receipt of this Order.

AND WHEREAS on September 28, 2012, the Panel ordered that the Merits Hearing be reconvened on October 9, 2012, for the purpose of Staff providing the Panel with a status update;

AND WHEREAS on October 9, 2012, Staff appeared before the Panel with no one appearing for Medra, at which time Staff submitted an affidavit of Allister Field sworn October 9, 2012, as evidence that the Panel's Order of September 20, 2012, had been sent to Medra on September 28, 2012, and Medra had not returned a signed undertaking in accordance with the Order;

AND WHEREAS the Panel is satisfied that Staff has met its disclosure obligations to Medra and the Merits Hearing may proceed;

AND WHEREAS on October 9, 2012, Staff requested that the Panel convert the Merits Hearing to a written hearing pursuant to Rule 11 of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "Rules") and proposed a schedule for the filing of materials in support of their request;

AND WHEREAS on October 17, 2012, Staff advised the Commission that it would like to amend the schedule for the filing of materials in support of their request;

AND WHEREAS on October 19, 2012, Staff appeared before the Commission by teleconference in accordance with Rule 10.2 of the Rules and no one appeared on behalf of Medra;

AND WHEREAS the Panel issued an order dated October 19, 2012, which stated:

- (i) Staff shall serve and file written submissions in support of their request to convert the Merits Hearing to a written hearing no later than October 23, 2012, such submissions to include copies of any affidavits Staff intend to rely on in the proposed written hearing;

- (ii) If Medra objects to converting the Merits Hearing to a written hearing, it shall file with the Office of the Secretary, and serve upon Staff, written submissions setting out the reasons for their objection no later than November 7, 2012;
- (iii) The Merits Hearing shall be reconvened on November 8, 2012, at 3:00 p.m. at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, Ontario, for the purpose of the Panel giving its ruling on the request to convert to a written hearing and, if the request is granted, to set a schedule for the receipt of submissions in the written hearing

AND WHEREAS on October 23, 2012, Staff filed written submissions in support of their request to convert the Merits Hearing to a written hearing, including copies of the affidavits Staff intend to rely on in the proposed written hearing, which written submissions and affidavits were served on Medra on October 19 and 22, 2012 as set out in the Affidavit of Service of Michelle Spain sworn on October 23, 2012 and filed with the Commission;

AND WHEREAS Staff sought, in their written submissions, that the Merits Hearing be continued as a written hearing upon the earlier of the date when Ciccone has completed his testimony in this matter or the date when Staff files an affidavit of Ciccone;

AND WHEREAS on November 8, 2012, Staff appeared before the Panel with no one appearing for Medra, at which time Staff requested that a date be set for the continuation of the Merits Hearing for the purpose of hearing oral evidence from Ciccone;

AND WHEREAS the Panel issued an order dated November 8, 2012, which stated:

- 1) the Merits Hearing is adjourned to November 29, 2012, commencing at 9:30 a.m., for the purpose of hearing oral evidence from Ciccone, after which the Panel will provide its ruling on the request to convert the remainder of the Merits Hearing to a written hearing; and
- 2) the Merits Hearing shall, if necessary, continue on November 30, 2012, commencing at 9:30 a.m.

AND WHEREAS on November 29, 2012, Staff appeared before the Panel with no one appearing for Medra, at which time the Panel heard oral testimony from Ciccone, and Staff

advised that they may wish to make a minor amendment to the Affidavit of Allister Field which was previously served on Medra and filed with the Commission;

AND WHEREAS the Panel adjourned the Merits Hearing and reserved its decision on Staff's request to convert the Merits Hearing to a written hearing in accordance with Rule 11;

AND WHEREAS the Panel issued an order dated December 3, 2012, which stated that:

1. in accordance with Rule 11, the Merits Hearing is converted to a written hearing for the purposes of taking evidence-in-chief by means of affidavit evidence from the remaining Staff witnesses, namely Allister Field, Michael Ho and Amy Tse ("Staff's Affiants");
2. If Staff wishes to amend any of the affidavits previously served and filed, Staff must serve and file such amendments no later than December 10, 2012;
3. Staff is directed to serve and file, no later than December 10, 2012, written submissions setting out Staff's position with respect to the findings of fact the Panel is asked to make in respect of the evidence from Staff's Affiants;
4. the Merits Hearing will be reconvened on December 19, 2012, at 3:30 p.m. at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON, for the purpose of cross-examination of Staff's Affiants and/or to allow Staff's Affiants to answer any questions from the Panel;
5. a schedule for the filing of evidence by Medra and the filing of final written submissions by both parties will be established when the hearing reconvenes on December 19, 2012; and
6. the Panel may recall Staff's Affiants for further questions on the affidavits if, in the opinion of the Panel, further clarification of the evidence is necessary.

AND WHEREAS on December 10, 2012, Staff filed the affidavit of Allister Field sworn December 10, 2012 and Staff's submissions setting out Staff's position with respect to the findings of fact the Panel is asked to make in respect of the evidence from Staff's Affiants, which submissions and affidavit were served on Medra on December 10, 2012 as set out in the Affidavit of Michelle Spain sworn on December 19, 2012 and filed with the Commission;

AND WHEREAS on December 19, 2012, Staff appeared before the Panel and no one appeared for Medra;

AND WHEREAS Staff made submissions on the affidavits of Staff's Affiants and the scheduling of the filing of evidence by Medra and the filing of final written submissions by both parties;

AND WHEREAS on December 19, 2012, the Commission ordered that:

1. Medra shall serve and file, no later than January 18, 2013, any evidence Medra seeks to file in this matter;
2. Staff shall serve and file, no later than January 25, 2013, any evidence Staff seeks to file in reply;
3. Staff shall serve and file, no later than February 15, 2013, Staff's written closing submissions;
4. Medra shall serve and file, no later than February 22, 2013, Medra's written closing submissions;
5. Staff shall serve and file, no later than February 28, 2013, Staff's reply submissions, if any;
6. the Merits Hearing will be reconvened on April 2, 2013 for the purpose of hearing oral closing submissions of Staff and Medra; and
7. the Panel may recall Staff's Affiants for further questions on the affidavits if, in the opinion of the Panel, further clarification of the evidence is necessary.

AND WHEREAS on January 4, 2013, the Commission ordered, further to the order dated December 19, 2012, that the Merits Hearing be reconvened on April 2, 2013 at 10:00 a.m. for the purpose of hearing oral closing submissions from Staff and Medra;

AND WHEREAS on April 2, 2013, Staff appeared before the Panel and made closing submissions and no one appeared for Medra;

AND WHEREAS on April 2, 2013, the Commission ordered that Staff shall serve and file supplementary written submissions in respect of the conduct referred to at paragraph 37 of the Amended Statement of Allegations by April 15, 2013 at 5:00 p.m.;

AND WHEREAS on April 15, 2013, Staff filed and served supplementary written submissions in respect of the conduct referred to at paragraph 37 of the Amended Statement of Allegations;

IT IS ORDERED THAT Medra shall serve and file written submissions in response to Staff's supplementary submissions, if any, by April 29, 2013 at 5:00 p.m.

DATED at Toronto on this 17th day of April, 2013.

"Vern Krishna"

Vern Krishna, Q.C.