



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 LOUIS MICHAEL KOVACS

**ORDER
(Subsections 127(1) and 127(2) and Section 127.1)**

WHEREAS on September 17, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 (the "Notice of Hearing") of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and Staff of the Commission ("Staff") filed a statement of allegations dated September 16, 2013 (the "Statement of Allegations") in respect of Louis Michael Kovacs ("Kovacs");

AND WHEREAS Kovacs entered into a Settlement Agreement with Staff dated September 16, 2013 (the "Settlement Agreement") in which Kovacs and Staff agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS the Commission has reviewed the Notice of Hearing, the Statement of Allegations and the Settlement Agreement and has heard submissions from Staff and counsel for Kovacs;

AND WHEREAS Kovacs has entered into an undertaking as part of the Settlement Agreement whereby he shall make a voluntary payment to the Commission in the amount of \$15,000, which will be designated for allocation or for use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

AND WHEREAS Kovacs has provided to Staff certified cheques in full payment of all monetary amounts provided and described in this Order including the above-described voluntary payment;

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

IT IS HEREBY ORDERED THAT:

- (a) the Settlement Agreement is approved;
- (b) pursuant to subsection 127(2) of the Act, a term and condition shall be imposed on Kovacs' registration that all of his personal trades be pre-cleared by the Chief Compliance Officer of Harvest Portfolio Group Inc., who shall be a person other than Kovacs, for a period of one year following the date of approval of the Settlement Agreement;
- (c) the voluntary payment of \$15,000 made to the Commission by Kovacs, pursuant to the Settlement Agreement, is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
- (d) pursuant to paragraph 9 of subsection 127(1) of the Act, Kovacs shall pay an administrative penalty in the amount of \$10,000 to the Commission which is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act; and
- (e) pursuant to section 127.1 of the Act, Kovacs shall pay the costs of the Commission's investigation in the amount of \$5,000.

DATED at Toronto this 19th day of September, 2013.

“Edward P. Kerwin”

Edward P. Kerwin