



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, c. S.5, as amended**

- and -

**IN THE MATTER OF ENERGY SYNDICATIONS INC.,
GREEN SYNDICATIONS INC., SYNDICATIONS CANADA INC.,
DANIEL STRUMOS, MICHAEL BAUM
and DOUGLAS WILLIAM CHADDOCK**

ORDER

(Sections 127 and 127.1 of the *Securities Act*)

WHEREAS on March 30, 2012, 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 relation to a Statement of Allegations filed by Staff of the Commission ("**Staff**") on March 30, 2012 in respect of Energy Syndications Inc. ("**Energy**"), Green Syndications Inc. ("**Green**"), Syndications Canada Inc. ("**Syndications**"), Daniel Strumos, ("**Strumos**"), Michael Baum ("**Baum**"), and Douglas William Chaddock ("**Chaddock**") (collectively, the "**Respondents**");

AND WHEREAS the Commission conducted a hearing on the merits with respect to the allegations against the Respondents on May 15, 16, 17, 22, 23 and 29, 2013 (the "**Merits Hearing**");

AND WHEREAS on June 20, 2013, the Commission issued its reasons and decision on the merits in this matter (the "**Merits Decision**");

AND WHEREAS the Commission determined that the Respondents had not complied with Ontario securities law and had acted contrary to the public interest, as described in the Merits Decision;

AND WHEREAS on October 24, 2013, the Commission held a hearing with respect to the sanctions and costs to be imposed in this matter (the "**Sanctions and Costs Hearing**");

AND WHEREAS on November 27, 2013, the Commission released its Reasons and Decision on Sanctions and Costs in this matter;

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) against Energy, Green and Syndications (collectively, the “**Corporate Respondents**”):
- (i) pursuant to clauses 2 and 2.1 of subsection 127(1) of the Act, that the Corporate Respondents shall cease trading in and acquiring securities for a period of 10 years;
 - (ii) pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law shall not apply to the Corporate Respondents for a period of 10 years;
 - (iii) pursuant to clause 9 of subsection 127(1) of the Act, that the Corporate Respondents shall, jointly and severally with Chaddock, pay an administrative penalty of \$200,000 as a result of their failure to comply with Ontario securities law, to be designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
 - (iv) pursuant to clause 10 of subsection 127(1) of the Act, that the Corporate Respondent shall, joint and severally with Chaddock, disgorge to the Commission \$2,538,255.56 obtained as a result of their non-compliance with Ontario securities law, to be designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
 - (v) pursuant to section 127.1 of the Act, that the Corporate Respondents shall, jointly and severally with Chaddock, pay costs incurred by the Commission in relation to the hearing in this matter in the amount of \$50,000;
- (b) against Chaddock:

- (i) pursuant to clauses 2 and 2.1 of subsection 127(1) of the Act, that Chaddock shall cease trading in and acquiring securities for a period of 10 years, with the exception that he may trade and acquire securities for his RRSP accounts after the administrative penalty at subparagraph (b)(vii) and disgorgement at subparagraph (b)(viii) ordered against him below are paid in full;
- (ii) pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law shall not apply to Chaddock for a period of 10 years, except as required to trade in or acquire securities in accordance with the exception provided above;
- (iii) pursuant to clause 6 of subsection 127(1) of the Act, that Chaddock be reprimanded;
- (iv) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, that Chaddock is ordered to resign any position he holds as a director or officer of any issuer, registrant or investment fund manager;
- (v) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, that Chaddock is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for 10 years;
- (vi) pursuant to clause 8.5 of subsection 127(1) of the Act, that Chaddock is prohibited from becoming or acting as a registrant, investment fund manager or promoter for a period of 10 years;
- (vii) pursuant to clause 9 of subsection 127(1) of the Act, that Chaddock shall, jointly and severally with the Corporate Respondents, pay an administrative penalty of \$200,000 as a result of his failure to comply with Ontario securities law, to be designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (viii) pursuant to clause 10 of subsection 127(1) of the Act, that Chaddock shall, in his personal capacity, disgorge to the Commission \$205,333.28 and shall, jointly and severally with the Corporate Respondents, disgorge to

the Commission \$2,538,255.56 obtained as a result of his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and

- (ix) pursuant to section 127.1 of the Act, that Chaddock shall, jointly and severally with the Corporate Respondents, pay costs incurred by the Commission in relation to the hearing in this matter in the amount of \$50,000;
- (c) against Baum and Strumos:
- (i) pursuant to clauses 2 and 2.1 of subsection 127(1) of the Act, that Baum and Strumos shall cease trading in and acquiring securities for a period of 5 years, with the exception that they may trade and acquire securities for their RRSP accounts after the administrative penalties at subparagraph (c)(vii) and disgorgements at subparagraph (c)(viii) ordered against them below are paid in full;
 - (ii) pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law shall not apply to Baum or Strumos for a period of 5 years, except as required to trade in or acquire securities in accordance with the exception provided above;
 - (iii) pursuant to clause 6 of subsection 127(1) of the Act, that Baum and Strumos be reprimanded;
 - (iv) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, that Baum and Strumos are ordered to resign any position they hold as a director or officer of any issuer, registrant or investment fund manager;
 - (v) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, that Baum and Strumos are prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for 5 years;
 - (vi) pursuant to clause 8.5 of subsection 127(1) of the Act, that Baum and Strumos are prohibited from becoming or acting as a registrant, investment fund manager or promoter for a period of 5 years;

- (vii) pursuant to clause 9 of subsection 127(1) of the Act, that Baum and Strumos shall pay to the Commission an administrative penalty of \$7,500 each as a result of their failure to comply with Ontario securities law, to be designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (viii) pursuant to clause 10 of subsection 127(1) of the Act, that Baum and Strumos shall disgorge to the Commission \$50,000 each as a result of their non-compliance with Ontario securities law, to be designated for allocation or use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
- (ix) pursuant to section 127.1 of the Act, that Baum and Strumos shall pay costs incurred by the Commission in relation to the hearing in this matter in the amount of \$2,500 each.

DATED at Toronto this 27th day of November, 2013.

“Alan Lenczner”

Alan J. Lenczner, Q.C.