



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 -

**GLOBAL ENERGY GROUP, LTD., NEW GOLD LIMITED PARTNERSHIPS,
CHRISTINA HARPER, HOWARD RASH, MICHAEL SCHAUMER,
ELLIOT FEDER, VADIM TSATSKIN, ODED PASTERNAK,
ALAN SILVERSTEIN, HERBERT GROBERMAN, ALLAN WALKER,
PETER ROBINSON, VYACHESLAV BRIKMAN, NIKOLA BAJOVSKI,
BRUCE COHEN and ANDREW SHIFF**

**ORDER
(Subsections 127(7) and 127(8) of the *Securities Act*)**

WHEREAS on July 10, 2008, the Ontario Securities Commission (the “Commission”) issued a temporary order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), that all trading by Global Energy Group, Ltd. (“Global Energy”) and the New Gold Limited Partnerships (the “New Gold Partnerships”) (together, the “Corporate Respondents”) and their officers, directors, employees and/or agents in securities of the New Gold Partnerships shall cease (the “First Temporary Order”);

AND WHEREAS on July 10, 2008, the Commission ordered that the First Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on July 15, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the First Temporary Order, such hearing to be held on July 23, 2008 at 11:00 a.m.;

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, *inter alia*, whether, in the opinion of the Commission, it was in the public interest, pursuant to

subsections 127(7) and (8) of the Act, to extend the First Temporary Order until such time as considered necessary by the Commission;

AND WHEREAS a hearing was held on July 23, 2008 at 11:00 a.m. at which Staff and counsel for Global Energy appeared, but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on July 23, 2008, the First Temporary Order was continued until August 6, 2008 and the hearing in this matter was adjourned until August 5, 2008 at 3:00 p.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS a hearing was held on August 5, 2008 at 3:00 p.m. at which Staff and counsel for Global Energy appeared, but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on August 5, 2008, the First Temporary Order was continued until December 4, 2008 and the hearing in this matter was adjourned until December 3, 2008 at 10:00 a.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS on December 3, 2008, on the basis of the record for the written hearing and on consent of Staff and counsel for Global Energy, a Panel of the Commission ordered that the First Temporary Order be extended until June 11, 2009 and that the hearing in this matter be adjourned to June 10, 2009 at 10:00 a.m.;

AND WHEREAS on June 10, 2009, Staff advised the Commission that Victor Tsatskin, a.k.a. Vadim Tsatskin (“Tsatskin”), an agent of Global Energy, would not be attending the hearing and was not opposed to Staff’s request for the extension of the First Temporary Order, and no counsel had communicated with Staff on behalf of the New Gold Partnerships;

AND WHEREAS on June 10, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until October 9, 2009 and that the hearing in this matter be adjourned to October 8, 2009 at 10:00 a.m.;

AND WHEREAS on October 8, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until March 11, 2010 and that the hearing in this matter be adjourned to March 10, 2010 at 10:00 a.m.;

AND WHEREAS on March 10, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until July 12, 2010 and that the hearing in this matter be adjourned to July 9, 2010 at 11:30 a.m.;

AND WHEREAS on April 7, 2010, the Commission issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the Act ordering the following (the “Second Temporary Order”):

- i) Christina Harper (“Harper”), Howard Rash (“Rash”), Michael Schaumer (“Schaumer”), Elliot Feder (“Feder”), Tsatskin, Oded Pasternak (“Pasternak”), Alan Silverstein (“Silverstein”), Herbert Groberman (“Groberman”), Allan Walker (“Walker”), Peter Robinson (“Robinson”), Vyacheslav Brikman (“Brikman”), Nikola Bajovski (“Bajovski”), Bruce Cohen (“Cohen”) and Andrew Shiff (“Shiff”) (collectively, the “Individual Respondents”), shall cease trading in all securities; and
- ii) that any exemptions contained in Ontario securities law do not apply to the Individual Respondents;

AND WHEREAS, on April 7, 2010, the Commission ordered that the Second Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on April 14, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Second Temporary Order, to be held on April 20, 2010 at 3:00 p.m.;

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, amongst other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Second Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

AND WHEREAS on April 20, 2010, a hearing was held before the Commission and none of the Individual Respondents appeared before the Commission to oppose Staff’s request for the extension of the Second Temporary Order;

AND WHEREAS on April 20, 2010, the Commission was satisfied that Staff had served or made reasonable attempts to serve each of the Individual Respondents with copies of the Second Temporary Order, the Notice of Hearing, and the Evidence Brief of Staff as evidenced by the Affidavit of Kathleen McMillan, sworn on April 20, 2010, and filed with the Commission;

AND WHEREAS on April 20, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that: in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest; and, it was in the public interest to extend the Second Temporary Order;

AND WHEREAS on April 20, 2010, pursuant to subsections 127(7) and (8) of the Act, the Second Temporary Order was extended to June 15, 2010 and the hearing in this matter was adjourned to June 14, 2010 at 10:00 a.m.;

AND WHEREAS on June 14, 2010, a hearing was held before the Commission and the Commission ordered that the Second Temporary Order be extended until September 1, 2010 and the hearing be adjourned to September 1, 2010 at 1:00 p.m.;

AND WHEREAS on June 14, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until September 1, 2010 and that the hearing in this matter be adjourned to September 1, 2010 at 1:00 p.m.;

AND WHEREAS on September 1, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS on September 1, 2010, pursuant to subsections 127(7) and 127(8) of the Act, the First Temporary Order and the Second Temporary Order were extended to November 9, 2010 and the hearing in this matter was adjourned to November 8, 2010 at 10:00 a.m.;

AND WHEREAS on September 1, 2010, it was further ordered pursuant to subsections 127(1) and (2) of the Act that, notwithstanding the Second Temporary Order, Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has the sole legal and beneficial ownership, provided that:

- (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) which is a reporting issuer; and

- (ii) he carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in his name only (the “Amended Second Temporary Order”);

AND WHEREAS on November 5, 2010, the Commission approved a settlement agreement between Staff and Robinson;

AND WHEREAS on November 8, 2010, Staff, Schaumer, Shiff, Silverstein, counsel for Rash, and counsel for Pasternak, Walker and Brikman attended the hearing, Harper and Groberman had each advised Staff that they would not be attending the hearing, no person attended on behalf of the Corporate Respondents and Tsatskin, Bajovski and Cohen did not appear;

AND WHEREAS on November 8, 2010, counsel for Feder removed himself from the record due to a conflict of interest, and new counsel for Feder advised the Commission that he would need to satisfy himself that he was able to represent Feder, and would advise Staff accordingly as soon as possible;

AND WHEREAS on November 8, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that the First Temporary Order and the Amended Second Temporary Order be extended to December 8, 2010 and the hearing in this matter be adjourned to December 7, 2010 at 2:30 p.m.;

AND WHEREAS on December 7, 2010, Staff, Schaumer, Silverstein, counsel for Pasternak, Walker and Brikman, and an agent for new counsel for Feder attended the hearing, no person appeared on behalf of the Corporate Respondents and Harper, Rash, Tsatskin, Groberman, Bajovski, Cohen and Shiff did not appear;

AND WHEREAS on December 7, 2010, the Commission was satisfied that all of the Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 7, 2010, Staff requested the extension of the First Temporary Order against the Corporate Respondents and the Amended Second Temporary Order against the Individual Respondents, and Schaumer, Silverstein, and counsel for Pasternak, Walker and Brikman consented to the extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, an agent for new counsel for Feder informed the Commission that he did not have instructions as to whether Feder consented to an extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, Staff informed the Commission that depending on settlement efforts, Staff might seek to bring an application to hold the next hearing in this matter in writing;

AND WHEREAS on December 7, 2010, the Commission directed that the First Temporary Order against the Corporate Respondents, and the Amended Second Temporary Order against the Individual Respondents, be consolidated into a single temporary order (the "Temporary Order");

AND WHEREAS on December 7, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that pursuant to subsections 127(7) and 127(8) of the Act, the Temporary Order be extended to March 3, 2011, without prejudice to Feder to bring a motion if he opposes the extension and that the hearing in this matter be adjourned to February 16, 2011 at 2:00 p.m.;

AND WHEREAS on February 16, 2011, Staff, Schaumer, Shiff and counsel for Feder attended the hearing, no person appeared on behalf of the Corporate Respondents, counsel for Pasternak, Walker and Brikman did not appear and Harper, Rash, Tsatskin, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on February 16, 2011, Staff requested the extension of the Temporary Order against the Individual Respondents and the Corporate Respondents; and Schaumer and Shiff consented to the extension of the Temporary Order;

AND WHEREAS on February 16, 2011, counsel for Feder consented to the extension of the Temporary Order of December 7, 2010, save and except for the exceptions outlined in this order;

AND WHEREAS on February 16, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to adjourn the hearing to May 3, 2011 at 10:00 a.m. and to further extend the Temporary Order until May 4, 2011;

AND WHEREAS on February 16, 2011, it was further ordered pursuant to subsections 127(7) and (8) of the Act, that the Temporary Order be extended to May 4, 2011, save and except that:

- (a) Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which Feder has the sole legal and beneficial ownership, provided that:
 - (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange, or NASDAQ (or their successor exchanges) which is a reporting issuer; and
 - (ii) Feder carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in Feder's name only; and
- (b) Feder is permitted to contact the existing shareholders of (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation and (iii) their subsidiaries, none of which is a reporting issuer, or their counsel and to discuss/explore the potential for the sale of Feder's shares in those corporations to any or all of their existing shareholders and/or the purchase of Feder's shares in those corporations by the respective corporations for cancellation, provided that Feder's shares are not actually sold and/or purchased without Feder first obtaining a further exemption/order from the Commission that permits such sale(s) and/or purchase(s);

AND WHEREAS on May 3, 2011, Staff, Schaumer, Shiff and Silverstein attended the hearing, no one appeared on behalf of the Corporate Respondents, counsel for Pasternak, Walker and Brikman did not appear, counsel for Rash did not appear and Tsatskin, Harper, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on May 3, 2011, Staff requested an extension of the Temporary Order against the Individual Respondents and the Corporate Respondents and Schaumer, Shiff and Silverstein did not object to an extension of the Temporary Order;

AND WHEREAS on May 3, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to

extend the Temporary Order against all named Respondents, except Rash, to the conclusion of the hearing on the merits; to extend the Temporary Order against Rash until July 12, 2011, and to adjourn the hearing to July 11, 2011 at 10:00 a.m., at which time Rash will have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on July 11, 2011, Staff, Harper and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Pasternak, Walker, Brikman, Feder, Tsatskin, Schaumer, Silverstein, Groberman, Bajovski or Cohen;

AND WHEREAS on July 11, 2011, Staff informed the Commission that Rash had recently retained new counsel in a related matter, and that Rash's new counsel had advised Staff that he would not be attending the hearing;

AND WHEREAS on July 11, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on July 11, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to September 27, 2011, and to adjourn the hearing to September 26, 2011 at 10:00 a.m. at which time Rash would have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on September 1, 2011, the Commission approved settlement agreements between Staff and each of Pasternak, Walker and Brikman;

AND WHEREAS on September 26, 2011, Staff, Harper, Schaumer, Silverstein and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Feder, Rash, Tsatskin, Groberman, Bajovski or Cohen;

AND WHEREAS on September 26, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on September 26, 2011, the Commission ordered that the Temporary Order be extended against Rash until November 29, 2011, and that the hearing be adjourned to November 28, 2011 at 10:00 a.m.;

AND WHEREAS on November 28, 2011, Staff and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents or any of the other Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on November 28, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on November 28, 2011, the Commission ordered that the Temporary Order be extended against Rash until December 16, 2011, and that the hearing be adjourned to December 15, 2011 at 9:30 a.m.;

AND WHEREAS on November 29, 2011, the Commission approved settlement agreements between Staff and each of Silverstein and Schaumer;

AND WHEREAS on December 15, 2011, Staff attended the hearing and no one appeared on behalf of the Corporate Respondents or the Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 15, 2011 Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on December 15, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to October 22, 2012, and to adjourn the hearing to October 19, 2012 at 10:00 a.m., without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act;

AND WHEREAS on January 20, 2011, the Commission approved a settlement agreement between Staff and Feder;

AND WHEREAS on October 19, 2012, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS on October 19, 2012, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on October 19, 2012, the Commission ordered that the Temporary Order be extended against Rash until February 28, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and that the hearing be adjourned to February 27, 2013 at 10:00 a.m.;

AND WHEREAS on February 27, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Peaches A. Barnaby sworn February 27, 2013 (the "February 27th Affidavit") outlining service on Rash of the Commission's Order dated October 19, 2012;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS Staff informed the Commission that Rash pleaded guilty to breaching Ontario securities law in connection with his activities as a salesperson at Global Energy in proceedings before the Ontario Court of Justice and that a hearing was scheduled for March 20, 2013, at which the parties to that proceeding may make submissions on sentence;

AND WHEREAS Staff requested a further extension of the Temporary Order to a date following the sentencing hearing;

AND WHEREAS the February 27th Affidavit set out Rash's consent, through his counsel, to the extension of the Temporary Order;

AND WHEREAS on February 27, 2013, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash until April 29, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and to adjourn the hearing to April 26, 2013 at 11:00 a.m.;

AND WHEREAS a letter from Staff to the Secretary of the Commission, dated April 24, 2013 (the "April 24 Letter"), accompanied an Affidavit of Peaches A. Barnaby of Staff, sworn April 24, 2013 (the "April 24 Affidavit"), which outlined service on Rash of the Commission's Order dated February 27, 2013;

AND WHEREAS in the April 24 Affidavit, it is stated that the sentencing hearing in respect of Rash commenced on March 20, 2013 and is scheduled to continue on July 17, 2013, and that counsel for Rash consents to a further extension of the Temporary Order against Rash to a date following the sentencing hearing on July 17, 2013;

AND WHEREAS in the April 24 Letter, Staff requests that:

- (i) the oral hearing scheduled for April 26, 2013 proceed in writing and that the date for the oral hearing be vacated;
- (ii) the Temporary Order be extended to a date following the sentencing hearing on July 17, 2013; and
- (iii) the hearing be adjourned to the business day immediately preceding that date;

AND WHEREAS the Commission considered the April 24 Letter and the April 24 Affidavit and was of the opinion that it was in the public interest to order that:

- (i) the oral hearing scheduled for April 26, 2013 proceed in writing and the hearing date scheduled for April 26, 2013 be vacated;
- (ii) the Temporary Order be extended against Rash until September 5, 2013; and
- (iii) the hearing be adjourned to September 4, 2013 at 11:00 a.m.

AND WHEREAS on September 4, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Tia Faerber sworn August 28, 2013 (the "August 28 Affidavit") outlining service of the Commission's Order dated April 26, 2013 on Rash;

AND WHEREAS Staff advised the Panel that a pre-sentence report ("PSR") has been ordered in connection with Rash's sentencing hearing before the Ontario Court of Justice and the parties are scheduled to attend before Justice Gorewich in connection with the PSR on November 7, 2013 (the "PSR Hearing");

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned to a date following the PSR Hearing;

AND WHEREAS the August 28 Affidavit attached correspondence from Rash's lawyer's office confirming that Rash consents to an extension of the Temporary Order to a date following the PSR Hearing;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until December 19, 2013 and the hearing to consider a further extension of the Temporary Order be adjourned to December 17, 2013 at 3:30 p.m;

AND WHEREAS on December 17, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff advised the Panel that the parties attended before Justice Gorewich on November 7, 2013 for the PSR Hearing and that, at the conclusion of that hearing, Rash was sentenced to nine months incarceration;

AND WHEREAS Staff advised the Panel that Staff has been in contact with Rash's counsel in the proceedings before the Ontario Court of Justice and Rash's counsel in those proceedings has advised Staff that he is seeking instructions from Rash as to his continued representation of Rash in connection with the proceedings before the Commission;

AND WHEREAS Staff further advised the Panel that Staff is awaiting the release of the transcript and the final reasons for judgment in connection with Rash's sentencing in the Ontario Court of Justice;

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned for approximately six weeks;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until January 31, 2014 and the hearing to consider a further extension of the Temporary Order be adjourned to January 29, 2014 at 10:30 a.m.;

AND WHEREAS on January 29, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Tia Faerber sworn January 28, 2014 outlining service of the Commission's Order dated December 17, 2013 on Moishe Reiter, Rash's counsel in the proceedings before the Ontario Court of Justice;

AND WHEREAS Staff advised the Panel that Staff has obtained the final reasons for judgment in connection with Rash's sentencing in the Ontario Court of Justice and that Staff has been in contact with Mr. Reiter in connection with this matter;

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned for approximately two months;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until April 1, 2014 and the hearing to consider a further extension of the Temporary Order be adjourned to March 28, 2014 at 10:00 a.m.;

AND WHEREAS on March 7, 2014, the Commission commenced proceedings against Rash pursuant to subsections 127(1) and 127(10) of the Act on the basis of a Statement of Allegations filed by Staff;

AND WHEREAS on March 28, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Panel was satisfied that Rash had notice of the hearing and consented to an extension of the Temporary Order;

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

IT IS ORDERED THAT the Temporary Order is extended against Rash until May 30, 2014 and the hearing to consider a further extension of the Temporary Order is adjourned to May 27, 2014 at 10:00 a.m.

DATED at Toronto this 28th day of March, 2014.

“Edward P. Kerwin”

Edward P. Kerwin