



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
FREDERICK LAWRENCE MARLATT, also known as
FREDERICK LAWRENCE MITSCHELE and MICHAEL WALLACE MINOR**

**REASONS AND DECISION
(Sections 127(1) and 127(10) of the *Securities Act*)**

Decision: June 2, 2014

Panel: Mary G. Condon - Vice Chair

Appearances: Donna E. Campbell - For Staff of the Commission

Alexandra Matushenko
Student-at-Law - No one appeared for the Respondents

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I. OVERVIEW

[1] This was a hearing conducted in writing before the Ontario Securities Commission (the “**Commission** or **OSC**”) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”) to consider whether it is in the public interest to make an order imposing sanctions against Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele (“**Mitschele**”), and Michael Wallace Minor (“**Minor**” and together with Mitschele, the “**Respondents**”).

[2] A notice of hearing (the “**Notice of Hearing**”) in this matter was issued by the Commission on December 11, 2013 in relation to a statement of allegations (the “**Statement of Allegations**”) filed by Staff of the Commission (“**Staff**”) on December 11, 2013.

[3] The first appearance (the “**First Appearance**”) on the matter was held on January 17, 2014. I adjourned the First Appearance to February 13, 2014. I also ordered that Staff provide the Respondents with information concerning the Legal Assistance Program, and confirm to the Respondents that Staff’s application, if granted, will convert this matter to a written hearing (*Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallace Minor* (2014), 37 OSCB 1021 (the “**January 17 Order**”). The January 17 Order also required the Respondents to advise of any objections they have to Staff’s application to proceed by way of written hearing by February 5, 2014.

[4] On February 13, 2014, the Commission heard an application by Staff to convert this matter to a written hearing (the “**Application Hearing**”) in accordance with Rule 11.5 of the Commission’s *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (“**Rules of Procedure**”), and subsection 5.1(2) of the *Statutory Powers Procedures Act*, R.S.O. 1990, c. S. 22, as amended (the “**SPPA**”). The Respondents did not appear at the Application Hearing, despite being served with the Notice of Hearing, Statement of Allegations and disclosure (the “**Materials**”), the January 17 Order and New Materials (as defined below).

[5] At the Application Hearing, Staff filed an Affidavit of Service of Lee Crann, sworn January 8, 2014 (the “**January 8 Affidavit**”), as exhibit 1, confirming service of the Materials on the Respondents. Staff also filed an Affidavit of Service of Lee Crann, sworn February 13, 2014 (the “**February 13 Affidavit**”), as exhibit 2, confirming service of the January 17 Order on the Respondents as well as an amended Notice of Hearing dated January 22, 2014 (the “**Amended Notice of Hearing**”) and an amended Statement of Allegations dated January 21, 2014 (the “**Amended Statement of Allegations**” and together with the Amended Notice of Hearing, the “**New Materials**”).

[6] Staff provided written submissions, a hearing brief and a brief of authorities. The Respondents did not file any responding materials. I am satisfied that the Respondents were served with notice of the Application Hearing. Pursuant to Rule 7.1 of the Commission’s *Rules of Procedure* and subsection 7(2) of the *SPPA*, I may proceed in the absence of the Respondents.

[7] Staff relies on paragraph 4 of subsection 127(10) of the *Act*, which permits the Commission to make an order under subsection 127(1) of the *Act* in respect of a person or company who is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.

[8] I granted Staff's application to proceed by way of written hearing and set a schedule for submission of materials by the parties (*Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallance Minor* (2014), 37 OSCB 1801 (the "**February 13 Order**")).

[9] These are my reasons and decision with respect to the sanctions sought by Staff in this matter.

[10] On July 16, 2012 a panel of the British Columbia Securities Commission (the "**BCSC Panel**") made findings that the Respondents engaged in, and/or authorized, permitted and acquiesced in unregistered trading, contrary to section 34(1) of the British Columbia *Securities Act*, RSBC 1996, c. 418 (the "**BC Act**"), and the illegal distribution of securities, contrary to section 61(1) of the *BC Act*. (*Photo Violation Technologies Corp., Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallance Minor, and Michael Wallace Minor, and Michael Garfield Timothy Minor, also known as Tim Minor: 2012 BCSECCOM 284* (the "**BCSC Findings**")) The Respondents appeared at the hearing. The Respondents were not represented by counsel.

[11] Specifically, the BCSC Panel found the following:

- (a) Minor traded in securities without being registered to do so, contrary to section 34(1) of the *BC Act*, and distributed those securities without filing a prospectus, contrary to section 61(1) of the *BC Act* when he distributed \$3.2 million in PVT securities in the absence of exemptions from the registration and prospectus requirements;
- (b) PVT traded in securities without being registered to do so, contrary to section 34(1) of the *BC Act* and distributed those securities without filing a prospectus, contrary to section 61(1) of the *BC Act*, when it distributed PVT securities for proceeds of \$3,571,604 to 272 investors in purported reliance on exemptions from the registration and prospectus requirements that were not available; and
- (c) Mitschele, when he authorized, permitted and acquiesced in PVT's contraventions, also contravened sections 34(1) and 61(1) under section 168.2 of the *BC Act*.

(BCSC Finding *supra*, at para. 50)

[12] The Respondents are subject to an order made by the BCSC dated July 18, 2013 that imposes sanctions, conditions, restrictions or requirements on them within the meaning of paragraph 4 of subsection 127(10) of the *Act*. (*Photo Violation Technologies Corp., Frederick Lawrence Marlatt, also known as Frederick Lawrence Mitschele and Michael Wallance Minor, and Michael Wallace Minor, and Michael Garfield Timothy Minor, also known as Tim Minor: 2012 BCSECCOM 276* (“the “**BCSC Order**””))

II. SANCTIONS OF THE BRITISH COLUMBIA SECURITIES COMMISSION

The BCSC Sanctions

[13] The BCSC Order imposes the following sanctions, conditions, restrictions or requirements:

(a) upon Mitschele:

- (i) pursuant to section 161(1)(b) of the *BC Act*, that Mitschele cease trading securities or exchange contracts for a period of 5 years, except that he may trade for his own account through a registrant, if he gives the registrant a copy of BCSC Order;
- (ii) pursuant to section 161(1)(d)(i) of the *BC Act*, that Mitschele resign from any position he holds as a director or officer of any issuer, other than Photo Violation Technologies Corp. 2 (“**PVT2**”), and any issuer all the securities of which are owned beneficially by him or members of his family;
- (iii) pursuant to section 161(1)(d)(ii) of the *BC Act*, that Mitschele is prohibited for 5 years from acting as a director or officer of any issuer, other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- (iv) pursuant to section 161(1)(d)(iv) of the *BC Act*, that Mitschele is prohibited for 5 years from acting in a management or consultative capacity in connection with activities in the securities market;
- (v) pursuant to section 161(1)(d)(v) of the *BC Act*, that Mitschele is prohibited for 5 years from engaging in investor relations activities; and
- (vi) notwithstanding paragraphs (i), (iv) and (v), Mitschele may engage in conduct, including advertisement, solicitation, and negotiation, for the purpose of obtaining financing for PVT2’s business, provided that he seeks an appropriate variation order from the BCSC before selling securities;

(b) upon Minor:

- (i) pursuant to section 161(1)(b) of the *BC Act*, that Minor cease trading, securities and or exchange contracts for a period of 5 years, except that he may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order [sic];
- (ii) pursuant to section 161(1)(d)(i) of the *BC Act*, that Minor resign from any position he holds as a director or officer of any issuer, other than One World Media (“**OWM**”), One World Smart Solutions (“**OWSS**”), and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- (iii) pursuant to section 161(1)(d)(ii) of the *BC Act*, that Minor is prohibited for 5 years from acting as a director or officer of any issuer, other than OWM, OWSS, and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- (iv) pursuant to section 161(1)(d)(iv) of the *BC Act*, that Minor is prohibited for 5 years from acting in a management or consultative capacity in connection with activities in the securities market; and
- (v) pursuant to section 161(1)(d)(v) of the *BC Act*, that Minor is prohibited for 5 years from engaging in investor relations activities (BCSC Order, *supra* at para. 29)

III. SUBMISSIONS OF THE PARTIES

Staff's Submissions

[14] Staff submit that the sanctions imposed in the BCSC Order are proportionately appropriate to the misconduct of the Respondents, and serve as both specific and general deterrence. Staff further submit that a protective order imposing conditions on the Respondents substantially similar to those imposed by the BCSC Order are required to protect Ontario investors and Ontario's capital markets from similar misconduct by the Respondents.

[15] Staff provided a list of 24 Ontario investors with their submissions. This list was filed by BCSC Staff as an exhibit during the BCSC proceedings as evidence to suggest that the Respondents were soliciting investors in Ontario. Accordingly, Staff respectfully submit that it is in the public interest to protect Ontario investors from the Respondents by preventing or limiting their participation in Ontario's capital markets.

[16] Staff submit that it is in the public interest for the Commission to exercise its inter-jurisdictional enforcement authority under subsection 127(10) of the Act to protect Ontario investors and Ontario's capital markets from potential misconduct by Mitschele and Minor and that sanctions substantially similar to those imposed by the BCSC Order be imposed on the Respondents.

[17] Staff submit that the following sanctions be imposed on the Respondents:

(a) upon Mitschele:

- i. pursuant to paragraph 2 of subsection 127(1) of the Act, that Mitschele cease trading securities or exchange contracts until July 18, 2018, except that Mitschele may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of the order of the Commission in this proceeding;
- ii. pursuant to paragraph 7 of subsection 127(1) of the Act, that Mitschele resign from any position he holds as a director or officer of any issuer, other than Photo Violation Technologies Corp. (“**PVT2**”) and any issuer all the securities of which are owned beneficially by him or members of his family;
- iii. pursuant to paragraph 8 of subsection 127(1) of the Act, that Mitschele is prohibited until July 18, 2018 from becoming or acting as a director or officer of any issuer, other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his immediate family;

(b) upon Minor:

- i. pursuant to paragraph 2 of subsection 127(1) of the Act, that Minor cease trading securities and/or exchange contracts until July 18, 2018, except that Minor may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of the order of the Commission in this proceeding;
- ii. pursuant to paragraph 7 of subsection 127(1) of the Act, that Minor resign from any position he holds as a director or officer of any issuer, other than One World Media (“**OWM**”), One World Smart Solutions (“**OWSS**”) and any issuer all the securities of which are owned beneficially by him or members of his immediate family; and

- iii. pursuant to paragraph 8 of subsection 127(1) of the Act, that Minor is prohibited until July 18, 2018 from becoming or acting as a director or officer of any issuer, other than OWM and OWSS and any issuer all the securities of which are owned beneficially by him or members of his immediate family.

Respondents' Submissions

[18] The Respondents did not appear and did not make any submissions in this proceeding.

[19] On February 3, 2014, through his counsel, Minor consented to a reciprocal order that mirrors the non-monetary sanctions contained in the BCSC Order.

IV. ANALYSIS

A. Inter-jurisdictional Enforcement

[20] The pre-conditions to be met for an inter-jurisdictional order are articulated in paragraphs 1 through 5 of subsection 127(10) of the *Act*:

1. The person or company has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives.
2. The person or company has been convicted in any jurisdiction of an offence under a law respecting the buying or selling of securities or derivatives.
3. The person or company has been found by a court in any jurisdiction to have contravened the laws of the jurisdiction respecting the buying or selling of securities or derivatives.
4. The person or company is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.
5. The person or company has agreed with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements.

(Securities Act, R.S.O. 1990, c. S.5, s. 127(10))

[21] The Commission held in *Elliott (Re)* (2009), 23 OSCB 6931 (“*Re Elliott*”) that subsection 127(10) “allows the Commission to consider any convictions or orders made against an individual in other jurisdictions, when deciding whether or not to make an order under subsection 127(1) or (5) in the public interest.” (*Re Elliott* at para. 24)

[22] Pursuant to the BCSC Order, the Respondents are subject to sanctions, conditions, restrictions or requirements within the meaning of paragraph 4 of subsection 127(10) of the *Act*. Accordingly, based on the BCSC Order, the Commission may make one or more orders under subsection 127(1) of the *Act*, if in its opinion it is in the public interest to do so.

[23] In *Re Euston Capital Corp.* (2009), 32 O.S.C.B. 6313 (“*Euston Capital*”), the Commission concluded that subsection 127(10) of the *Act* can be the grounds for an order in the public interest under subsection 127(1) of the *Act*, based on a decision and order made in another jurisdiction:

... we conclude that we can make an order against the Respondents pursuant to our public interest jurisdiction under section 127 of the *Act* on the basis of decisions and orders made in other jurisdictions, if we find it necessary in order to protect investors in Ontario and the integrity of Ontario’s capital markets.

(*Euston Capital, supra*, at para. 46)

[24] While a panel may rely on the findings of the other jurisdiction, it must then satisfy itself that an order for sanctions is necessary to protect the public interest in Ontario:

The applicability of subsection 127(10) to the BCSC Order and the Settlement Agreement does not automatically lead to the conclusion that this Panel must make an order similar to that made by the BCSC against Elliott. Rather, we must first consider whether or not sanctions are necessary to protect the public interest, before exercising any powers granted to us under subsections 127(1) and (5), and second, if necessary, consider what the appropriate sanctions should be.

(*Re Elliott, supra* at para. 27)

[25] The Commission has relied on the findings made in other jurisdictions, and has not required a nexus to Ontario, when considering imposing a reciprocal order. However, while a nexus to Ontario is not a necessary pre-condition to the Commission’s jurisdiction to make an order in the public interest, it is a factor that may be considered by the Commission in determining whether to make such an order. (*Euston, supra* at para. 42 citing *Re Biller* (2005), 28 O.S.C.B. 10131 at para. 32; *Reeves (Re)* (2012), 35 OSCB 5140 at para. 8)

[26] The principles that guide the Commission in exercising its public interest jurisdiction are reflected in *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)* 2001 SCC 37 (“*Asbestos*”) where the Supreme Court of Canada (“**Supreme Court**”) considered the nature of section 127:

[I]t is important to recognize that s. 127 is a regulatory provision. In this regard, I agree with Laskin J.A. that “[t]he purpose of the Commission's public interest jurisdiction is neither remedial nor punitive; it is protective and preventive....

...[t]he purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.”

(*Asbestos*, at paras. 42-43, citing *Re Mithras Management Ltd.* (1990), 13 OSCB. 1600)

B. The Commission’s Discretion to Determine Sanctions

[27] I may make an order against the Respondents under section 127 of the Act based on the BCSC Findings and BCSC Order if I find it necessary in order to protect investors in Ontario and the integrity of Ontario's capital markets.

[28] The BCSC Order imposed significant sanctions on the Respondents. As previously indicated, Staff submit that the Commission should exercise its discretion to impose sanctions substantially similar to those imposed in the BCSC Order to the extent possible under the Act.

[29] The Supreme Court has affirmed that the Commission may make an order under section 127 of the Act for the purposes of deterrence, stating that “it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative.” (*Cartaway Resources Corp.*, 2004 SCC 26 (CanLII) at para. 60 (“*Cartaway*”))

[30] The Supreme Court emphasised that deterrence may be specific to the individual or general to deter the public at large. The Supreme Court held that “[i]n both cases, deterrence is prospective in orientation and aims at preventing future conduct.” (*Cartaway*, supra at para. 52)

[31] The Commission has held that, in determining appropriate sanctions in settling a proceeding before the Commission, it is necessary “to take into account circumstances that are appropriate to the particular respondents. This requires us to be satisfied that proposed sanctions are proportionately [sic] appropriate with respect to the circumstances facing the particular respondents.” (*M.C.J.C. Holdings (Re)* (2002), 25 OSCB 1133 at p. 1134 (“*M.C.J.C. Holdings*”)) The Commission must also ensure that the sanctions imposed in each case are

proportionate to the circumstances and the conduct of each respondent. (*Coventree Inc., Geoffrey Cornish and Dean Tai (Re)* (2012) 35 O.S.C.B. 119 at para. 46)

Findings of the BCSC

[32] The BCSC Panel found that the Respondents breached two cornerstones of the regulatory framework of the BC Act: engaging in unregistered trading and illegal distribution of securities. The Respondents raised approximately \$3.6 million from 272 investors by trading and distributing PVT securities. In doing so, the Respondents relied upon two exemptions in National Instrument 45-106 *Prospectus and Registration Exemptions* (“**NI 45-106**”); (i) the accredited investor exemption at sections 2.3(1) and (2), and (ii) the family, friends or business associates exemption at sections 2.5(1) and (2). The BCSC Panel concluded that majority of the exemptions the Respondents relied upon were not available to the Respondents. (*BCSC Order* at para. 11; *BCSC Findings* at paras. 46 - 48, 50)

[33] The BCSC Panel also found that the: “...[I]nvestors, as a group, have suffered significant harm: PVT is bankrupt and there is little likelihood that these investors will recover the \$3.6 million they invested.” (*BCSC Order* at para. 12)

Mitigating Factors

[34] As mitigating considerations, the BCSC Panel acknowledged the considerable steps taken by Mitschele and Minor to bring PVT into compliance by engaging a lawyer to assist in compliance and that they had “made good faith efforts” on behalf of PVT to obtain the necessary advice to ensure compliance with the BC Act. The BCSC Panel further noted that the Respondents were not enriched through their activities in PVT, since “they each lost significant sums as a result of their involvement.” (*BCSC Order, supra* at paras. 13, 23 and 27)

[35] The BCSC Panel also found that the absence of any prior disciplinary history for either Respondent, and Minor’s admission at the commencement of the BCSC proceedings that he raised \$3.2 million in PVT securities, were additional mitigating factors which reduced the time required for the BCSC hearing. (*BCSC Order, supra* at paras. 20-21)

[36] The BCSC Panel permitted limited participation in the capital markets by each of the Respondents. They required that such participation occur through a registrant, provided that the registrant was given a copy of the BCSC Order. In *Nielsen (Re)* (2013), 36 OSCB 3600, a recent decision of the OSC in which a reciprocal order was issued, the respondent Nielsen was also permitted limited participation in the capital markets through a registrant, provided that a copy of the originating jurisdiction’s order and a copy of the Commission’s Order were given to the registrant.

C. Should an Order for Sanctions be Imposed in Ontario?

[37] When exercising the public interest jurisdiction under section 127 of the *Act*, I must consider the purposes of the *Act*. Those purposes, set out in section 1.1 of the *Act*, are:

- (a) to provide protection to investors from unfair, improper or fraudulent practices; and
- (b) to foster fair and efficient capital markets and confidence in capital markets.

[38] In pursuing these purposes, I must have regard for the fundamental principles described in section 2.1 of the *Act*. That section provides that one of the primary means for achieving the purposes of the *Act* is to restrict fraudulent and unfair market practices and procedures. I shall, among other things, treat as a fundamental principle that: “[t]he integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.” *Securities Act, supra* at subsection 2.1(5)

[39] I find that it is necessary to order sanctions against the Respondents in the public interest to protect Ontario investors and the integrity of Ontario’s capital markets. Moreover, I have the authority to make a public interest order under subsections 127(1) and 127(10) of the *Act*, based on the BCSC Findings and the BCSC Order.

D. The Appropriate Sanctions

[40] In determining the nature and duration of the appropriate sanctions, I must consider all of the relevant facts and circumstances before me. Previous decisions of the Commission have considered a list of factors. The factors I consider most relevant in this case are:

- (a) the seriousness of the conduct and the breaches of the BC Act;
- (b) the level of a respondent’s activity in the marketplace;
- (c) whether or not the sanctions imposed may serve to deter not only the Respondents but any like-minded people from engaging in similar abuses of the Ontario capital markets;
- (d) the effect any sanctions may have on the ability of the Respondents to participate without check in the capital markets; and
- (e) any mitigating factors.

(*Re Belteco Holdings Inc. (1998)*, 21 O.S.C.B. 7743 at 7746; *M.C.J.C. Holdings, supra.*)

[41] The following facts and circumstances are particularly relevant in determining the sanctions that should be ordered against the Respondents:

- (a) the Respondents were found by a panel of the BCSC to have breached British Columbia securities law;
- (b) the conduct for which the Respondents were sanctioned in the BCSC Order would constitute contraventions of Ontario securities law if they had occurred in Ontario, including contraventions of subsections 38(3), 53(1) and 126.1(b) of the *Act*;
- (c) the proposed sanctions are consistent with the sanctions imposed in the BCSC Order to the extent possible under the *Act*; and
- (d) the proposed sanctions are prospective in nature, and would impact the Respondents only if they attempted to participate in the capital markets of Ontario.

[42] No mitigating factors or circumstances were brought to my attention. I find that the BCSC Order imposes significant sanctions on the Respondents and that the Commission should exercise its discretion to impose sanctions consistent with those imposed by the BCSC Order to the extent possible under the *Act*.

[43] A protective order imposing market conduct restrictions on the Respondents that are substantially similar to those imposed by the BCSC Order are required to protect Ontario investors and Ontario capital markets from similar misconduct by the Respondents.

[44] Based on the foregoing, I have concluded that it is in the public interest to make an order under subsection 127(1) of the *Act*. In imposing sanctions, I rely on the BCSC Order.

V. CONCLUSION

[45] Accordingly, I find it is in the public interest to issue the following orders:

- (a) upon Mitschele:
 - i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, that trading in any securities or derivatives by Mitschele cease until July 18, 2018, except that Mitschele may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;
 - ii. pursuant to paragraph 7 of subsection 127(1) of the *Act*, that Mitschele resign one or more positions that he holds as a director or

officer of an issuer, other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his family;

- iii. pursuant to paragraph 8 of subsection 127(1) of the Act, that Mitschele is prohibited from becoming or acting as a director or officer of any issuer until July 18, 2018 other than PVT2 and any issuer all the securities of which are owned beneficially by him or members of his immediate family;

(b) upon Minor:

- i. pursuant to paragraph 2 of subsection 127(1) of the Act, that trading in any securities or derivatives by Minor cease until July 18, 2018, except that Minor may trade for his own account through a registrant, if he gives the registrant a copy of the BCSC Order and a copy of the order of the Commission in this proceeding;
- ii. pursuant to paragraph 7 of subsection 127(1) of the Act, that Minor resign one or more positions that he holds as a director or officer of an issuer other than OWM, OWSS and any issuer all the securities of which are owned beneficially by him or members of his immediate family;
- iii. pursuant to paragraph 8 of subsection 127(1) of the Act, that Minor is prohibited from becoming or acting as a director or officer of any issuer until July 18, 2018 other than OWM, OWSS, and any issuer all the securities of which are owned beneficially by him or members of his immediate family.

Dated at Toronto this 2nd day of June, 2014.

“Mary G. Condon”

Mary G. Condon