



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
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
ANDREA LEE MCCARTHY, BFM INDUSTRIES INC., and
LIQUID GOLD INTERNATIONAL CORP.
(aka LIQUID GOLD INTERNATIONAL INC.)**

**ORDER
(Subsection 127(1) of the *Securities Act*)**

WHEREAS on January 27, 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 connection with a Statement of Allegations filed by Staff of the Commission (“**Staff**”) on January 27, 2012, to consider whether it is in the public interest to make certain orders against Sandy Winick (“**Winick**”), Andrea Lee McCarthy (“**McCarthy**”), Kolt Curry, Laura Mateyak (“**Mateyak**”), Gregory J. Curry (“**Greg Curry**”), American Heritage Stock Transfer Inc. (“**AHST Ontario**”), American Heritage Stock Transfer, Inc. (“**AHST Nevada**”), BFM Industries Inc. (“**BFM**”), Liquid Gold International Corp. (aka Liquid Gold International Inc.) (“**Liquid Gold**”) and Nanotech Industries Inc. (“**Nanotech**”);

AND WHEREAS on April 1, 2011, the Commission issued a temporary cease trade order, pursuant to subsections 127(1) and 127(5) of the *Act*, that all trading in securities of BFM, AHST Ontario, AHST Nevada and Denver Gardner Inc. shall cease and that all trading by Kolt Curry, Mateyak, AHST Ontario, AHST Nevada, McCarthy, Winick and Denver Gardner Inc. shall cease (the “**Temporary Order**”);

AND WHEREAS the Temporary Order, as amended, was extended from time to time and, on March 23, 2012, was extended until the conclusion of the merits hearing;

AND WHEREAS on October 17, 2012, the Commission ordered, pursuant to Rule 11.5 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "**Rules of Procedure**"), that the hearing on the merits would proceed as a written hearing (the "**Written Hearing**");

AND WHEREAS on November 2, 2012, Staff filed an Amended Statement of Allegations and the Commission issued an Amended Notice of Hearing;

AND WHEREAS on November 30, 2012, Staff filed evidentiary briefs in the form of affidavits, as well as written submissions on the relevant facts and law;

AND WHEREAS on January 21, 2013, on consent of Staff and counsel for McCarthy, BFM and Liquid Gold (the "**Respondents**"), the Commission granted an application to sever the matter, as against the Respondents, and adjourned that matter to a date to be fixed by the Office of the Secretary of the Commission in consultation with counsel;

AND WHEREAS on October 28 and December 10, 2013, Staff and counsel for McCarthy appeared before the Commission for a hearing on the merits with respect to the Respondents;

AND WHEREAS Staff and counsel for McCarthy made submissions and filed the Affidavit of Andrea Lee McCarthy sworn October 23, 2013 and the "Joint Submission re: Liability of Andrea Lee McCarthy, BFM Industries Inc. and Liquid Gold International Corp. (aka Liquid Gold International Inc.)";

AND WHEREAS following the hearing on the merits with respect to the Respondents, the Commission issued its reasons and decision on January 3, 2014 (the "**Merits Decision**") and ordered that the Temporary Order be extended as against the Respondents until the conclusion of this proceeding;

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 March 12, 2014, the Commission held a hearing with respect to the sanctions and costs to be imposed in this matter;

AND WHEREAS on June 9, 2014, 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) pursuant to clause 2 of subsection 127(1) of the *Act*, trading in any securities by McCarthy shall cease for a period of 15 years;
- (b) pursuant to clause 2 of subsection 127(1) of the *Act*, trading in any securities by BFM and Liquid Gold shall cease permanently;
- (c) pursuant to clause 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by McCarthy shall be prohibited for a period of 15 years;
- (d) pursuant to clause 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by BFM and Liquid Gold shall be prohibited permanently;
- (e) pursuant to clause 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law shall not apply to McCarthy for a period of 15 years;
- (f) pursuant to clause 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law shall not apply to BFM or Liquid Gold permanently;
- (g) pursuant to clause 6 of subsection 127(1) of the *Act*, McCarthy shall be reprimanded;
- (h) pursuant to clause 7 of subsection 127(1) of the *Act*, McCarthy shall resign any position that she holds as a director or officer of any issuer;
- (i) pursuant to clause 8 of subsection 127(1) of the *Act*, McCarthy shall be prohibited from becoming or acting as a director or officer of any issuer for a period of 15 years;

- (j) pursuant to clause 8.5 of subsection 127(1) of the *Act*, McCarthy shall be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 15 years;
- (k) pursuant to clause 9 of subsection 127(1) of the *Act*, McCarthy shall pay an administrative penalty of \$10,000 for her failure to comply with Ontario securities law, to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the *Act*; and
- (l) as an exception to the provisions of paragraphs (a) and (c), above, McCarthy is permitted to: trade and acquire securities for the account of her Registered Retirement Savings Plan, as defined in the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended (the “*Income Tax Act*”), and any Registered Education Savings Plan, as defined in the *Income Tax Act* and of which she is the subscriber and her daughter is the beneficiary, provided that the administrative penalty payment set out in paragraph (k), above, has been paid in full. If the amount remains unpaid, McCarthy shall cease trading and acquiring securities until the expiry of the aforementioned period of 15 years, without exception.

DATED at Toronto this 9th day of June, 2014.

“*James D. Carnwath*”

James D. Carnwath, Q.C.