



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
MORGAN DRAGON DEVELOPMENT CORP.,
JOHN CHEONG (aka KIM MENG CHEONG),
HERMAN TSE, DEVON RICKETTS
and MARK GRIFFITHS**

ORDER

WHEREAS on March 22, 2012, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to section 127 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 March 22, 2012, to consider whether it is in the public interest to make certain orders against Morgan Dragon Development Corp. (“MDDC”), John Cheong (aka Kim Meng Cheong) (“Cheong”), Herman Tse (“Tse”), Devon Ricketts (“Ricketts”) and Mark Griffiths (“Griffiths”);

AND WHEREAS on March 26, 2012, the Commission issued an Amended Notice of Hearing pursuant to sections 127 and 127.1 of the Act;

AND WHEREAS on March 25, 2013, at Staff’s request and on consent of counsel for MDDC, Cheong, Tse and Ricketts, the Commission ordered that the hearing on the merits proceed as a written hearing pursuant to Rule 11.5 of the Commission’s *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the “*Rules of Procedure*”) and set a schedule for written submissions by the parties (*Re Morgan Dragon Development Corp. et al.* (2013), 36 O.S.C.B. 3166);

AND WHEREAS on April 9, 2013, the Commission granted leave for Crawley Meredith Brush Mackewn LLP to withdraw as representative for Ricketts, pursuant to Rule 1.7.4 of the *Rules of Procedure* (*Re Morgan Dragon Development Corp. et al.* (2013), 36 O.S.C.B. 4211);

AND WHEREAS on April 10, 2013, Commission approved a settlement agreement between Staff and MDDC, Cheong and Tse (*Re Morgan Dragon Development Corp. et al.* (2013), 36 O.S.C.B. 4212);

AND WHEREAS on April 15, 2014, following a written hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits (*Re Morgan Dragon Development Corp. et al.* (2014), 37 O.S.C.B. 4141);

AND WHEREAS on June 12, 2014, a hearing on sanctions and costs in this matter was held before the Commission;

AND WHEREAS on September 9, 2014, the Commission issued its Reasons and Decision with respect to sanctions and costs;

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

IT IS ORDERED that:

1. With respect to Ricketts:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, that trading in any securities by Ricketts cease for a period of five years, except that, once Ricketts has fully satisfied the conditions in clauses 1.(l), (m) and (n), below, he may trade in securities for the account of any registered retirement savings plan as defined in the *Income Tax Act*, R.S.C. 1985, c. 1., as amended (“**RRSP**”), in which he has sole legal and beneficial ownership;
- (b) pursuant to clause 2.1 of subsection 127(1) of the Act, that the acquisition of any securities by Ricketts is prohibited for a period of five years, except that, once Ricketts has fully satisfied the conditions in clauses 1.(l), (m) and (n), below, he may acquire securities for the account of any RRSP in which he has sole legal and beneficial ownership;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions in Ontario securities law do not apply to Ricketts for a period of five years;
- (d) pursuant to clause 6 of subsection 127(1) of the Act, that Ricketts is reprimanded;
- (e) pursuant to clause 7 of subsection 127(1) of the Act, that Ricketts resign any position he holds as a director or officer of an issuer;

- (f) pursuant to clause 8 of subsection 127(1) of the Act, that Ricketts is prohibited from becoming or acting as director or officer of any issuer for a period of five years;
- (g) pursuant to clause 8.1 of subsection 127(1) of the Act, that Ricketts resign any position he holds as director or officer of a registrant;
- (h) pursuant to clause 8.2 of subsection 127(1) of the Act, that Ricketts is prohibited from becoming or acting as director or officer of any registrant for a period of seven years;
- (i) pursuant to clause 8.3 of subsection 127(1) of the Act, that Ricketts resign any position he holds as director or officer of any investment fund manager;
- (j) pursuant to clause 8.4 of subsection 127(1) of the Act, that Ricketts is prohibited from becoming or acting as director or officer of any investment fund manager for a period of seven years;
- (k) pursuant to clause 8.5 of subsection 127(1) of the Act, that Ricketts is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of seven years;
- (l) pursuant to clause 9 of subsection 127(1) of the Act, that Ricketts pay an administrative penalty of \$30,000, designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
- (m) pursuant to clause 10 of subsection 127(1) of the Act, that Ricketts disgorge to the Commission a total of \$177,094.50, designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and
- (n) pursuant to subsection 127.1(2) of the Act, that Ricketts pay a total of \$22,447.50 for costs of the hearing, for which he shall be jointly and severally liable with Griffiths.

2. With respect to Griffiths:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, that trading in any securities by Griffiths cease for a period of three years, except that, once Griffiths has fully satisfied the conditions in clauses 2.(l), (m) and (n), below, he may trade in securities for the account of any RRSP, in which he has sole legal and beneficial ownership;
- (b) pursuant to clause 2.1 of subsection 127(1) of the Act, that the acquisition of any securities by Griffiths is prohibited for a period of three years, except that, once Griffiths has fully satisfied the conditions in clauses 2.(l), (m) and (n), below, he may acquire securities for the account of any RRSP in which he has sole legal and beneficial ownership;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions in Ontario securities law do not apply to Griffiths for a period of three years;

- (d) pursuant to clause 6 of subsection 127(1) of the Act, that Griffiths is reprimanded;
- (e) pursuant to clause 7 of subsection 127(1) of the Act, that Griffiths resign any position he holds as a director or officer of an issuer;
- (f) pursuant to clause 8 of subsection 127(1) of the Act, that Griffiths is prohibited from becoming or acting as director or officer of any issuer for a period of three years;
- (g) pursuant to clause 8.1 of subsection 127(1) of the Act, that Griffiths resign any position he holds as director or officer of a registrant;
- (h) pursuant to clause 8.2 of subsection 127(1) of the Act, that Griffiths is prohibited from becoming or acting as director or officer of any registrant for a period of five years;
- (i) pursuant to clause 8.3 of subsection 127(1) of the Act, that Griffiths resign any position he holds as director or officer of any investment fund manager;
- (j) pursuant to clause 8.4 of subsection 127(1) of the Act, that Griffiths is prohibited from becoming or acting as director or officer of any investment fund manager for a period of five years;
- (k) pursuant to clause 8.5 of subsection 127(1) of the Act, that Griffiths is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of five years;
- (l) pursuant to clause 9 of subsection 127(1) of the Act, that Griffiths pay an administrative penalty of \$15,000, designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
- (m) pursuant to clause 10 of subsection 127(1) of the Act, that Griffiths disgorge to the Commission a total of \$51,192.50, designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and
- (n) pursuant to subsection 127.1(2) of the Act, that Griffiths pay a total of \$22,447.50 for costs of the hearing, for which he shall be jointly and severally liable with Ricketts.

Dated this 9th day of September, 2014.

“Edward P. Kerwin”

Edward P. Kerwin