



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
POWERWATER SYSTEMS, INC., DUNCAN CLEWORTH and
POWERWATER USA LTD.**

ORDER
(Subsections 127(1) and 127(10) of the *Securities Act*)

WHEREAS on May 14, 2014, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in respect of Powerwater Systems, Inc., (“PSI”), Duncan Cleworth (“Cleworth”) and Powerwater USA Ltd. (“PUL”) (together, the “Respondents”);

AND WHEREAS on May 14, 2014, Staff of the Commission (“Staff”) filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on June 26, 2014, the Commission heard an application by Staff to convert the matter to a written hearing (the “Application”), in accordance with Rule 11.5 of the Commission’s *Rules of Procedure* (2014), 37 OSCB 4095, and subsection 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND WHEREAS the Respondents consented to the Application as indicated by their written consent, filed;

AND WHEREAS Staff and the Respondents agreed upon a timetable for the submission of written hearing materials, subject to the Commission's approval;

AND WHEREAS on June 26, 2014, the Commission granted Staff's application to proceed by way of written hearing, pursuant to Rule 11 of the *Rules of Procedure* and set down a schedule for the submission of materials, without the necessity for an attendance of the Respondents;

AND WHEREAS Staff filed written submissions, a brief of authorities, a hearing brief, supplementary written submissions, a supplementary brief of authorities, and affidavits of service;

AND WHEREAS on August 29, 2014, the Respondents requested an extension of time to file their responding materials, and Staff consented to the Respondents' request;

AND WHEREAS on September 8, 2014, the Commission ordered that

- (a) the Respondents' responding materials, if any, shall be served and filed no later than November 10, 2014; and
- (b) Staff's reply materials, if any, shall be served and filed no later than November 17, 2014;

AND WHEREAS on November 7, 2014, following a request from the Respondents for a second extension of time to file their responding materials, and with Staff taking no position, the Commission ordered that

- (a) the Respondents' responding materials, if any, shall be served and filed no later than November 28, 2014; and
- (b) Staff's reply materials, if any, shall be served and filed no later than December 12, 2014;

AND WHEREAS the Respondents filed responding materials on November 28, 2014, and, among other matters, requested to continue this matter as an oral hearing and requested additional time to consider whether they wished to file additional affidavit evidence;

AND WHEREAS Staff consented to these requests;

AND WHEREAS on December 11, 2014, Staff and counsel to the Respondents appeared and made submissions before the Commission;

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 Rule 11.5 of the Commission's Rules of Procedure, this matter shall continue as an oral hearing;
- (b) any additional affidavit evidence from the Respondents shall be served and filed no later than January 23, 2015;
- (c) any additional affidavit evidence from Staff shall be served and filed no later than February 4, 2015;
- (d) an oral hearing in this matter shall be held on February 9, 2015;
- (e) at the hearing, the Respondents and Staff shall have the right to cross-examine any affiant(s) and make oral submissions; and
- (f) following the hearing, the Respondents and Staff shall have the right to serve and file written closing submissions.

DATED at Toronto this 11th day of December, 2014.

"James E. A. Turner"

James E.A. Turner