



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

- AND -

**IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION AND ELLIOT FEDER**

ORDER

WHEREAS by Notice of Hearing dated June 8, 2010, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, commencing on June 14, 2010, pursuant to sections 37, 127, and 127.1 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 orders, as specified therein, against Global Energy Group, Ltd., New Gold Limited Partnerships ("New Gold"), Christina Harper, Vadim Tsatskin, Michael Schauer, Elliot Feder ("Feder"), Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff. The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated June 8, 2010;

AND WHEREAS Feder entered into a settlement agreement with Staff dated January 18 and 19, 2012 (the "Settlement Agreement") in which Feder agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated June 8, 2010, subject to the approval of the Commission;

AND WHEREAS the Settlement Agreement was approved by the Commission on January 20, 2012;

AND WHEREAS on January 20, 2012, the Commission made an order (the “January 20, 2012 Order”) which provided, among other things, that:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Feder cease permanently with the exception that Feder is permitted to contact the existing shareholders of (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation (iii) Genesis Rare Diamonds (U.K.) Ltd. and (iv) 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 the January 20, 2012 Order also requires that Feder disgorge to the Commission the amount of \$230,447 obtained as a result of his non-compliance with Ontario securities law (the “Disgorgement Order”);

AND WHEREAS on March 12, 2012, Feder brought an application pursuant to section 144 of the Act to vary the January 20, 2012 Order to permit Feder to sell shares he held in (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation (iii) Genesis Rare Diamonds (U.K.) Ltd. and (iv) their subsidiaries to those corporations for cancellation or redemption (the “Application”);

AND WHEREAS as part of the Application, Feder consented to the Commission imposing terms and conditions pursuant to subsection 127(2) of the Act that the proceeds from the sale of the shares shall be paid directly to Aird & Berlis LLP in trust and shall not be

disbursed until a further order of the Commission in order to permit Staff and Feder to make submissions on the appropriate amount to be paid in satisfaction of the Disgorgement Order (the “Terms and Conditions”);

AND WHEREAS Staff consented to the Application;

AND WHEREAS on March 28, 2012, the Commission ordered that (i) the January 20, 2012 Order be varied to permit Feder to sell shares he held in (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation (iii) Genesis Rare Diamonds (U.K.) Ltd. and (iv) their subsidiaries, to those corporations for cancellation or redemption; and (ii) that the variance of the January 20, 2012 Order be conditioned upon the proceeds from the sale of the shares being paid directly to Aird & Berlis LLP in trust and not being disbursed by Aird & Berlis LLP until a further order of the Commission in order to permit Staff and Feder to make submissions on the appropriate amount to be paid in satisfaction of the Disgorgement Order (the “March 28, 2012 Order”);

AND WHEREAS Feder was paid \$150,000 for the sale of his shares and the proceeds were paid to Aird & Berlis LLP in trust pursuant to the March 20, 2012 Order (the “Funds”);

AND WHEREAS by letter dated May 29, 2013 from his counsel, Feder requested an order of the Commission that permits: (i) the payment of \$100,000 from the Funds towards the Disgorgement Order and, upon the Commission confirming receipt of the payment, (ii) the disbursement of the remaining Funds to Feder (the “May 29 Request”);

AND WHEREAS Feder acknowledged that (i) the payment in the amount of \$100,000 towards the Disgorgement Order will be made directly by Aird & Berlis LLP to the Commission, and (ii) the payment does not release him from his obligation to pay the remaining amount of the Disgorgement Order;

AND WHEREAS Staff consented to the May 29 Request;

AND WHEREAS the hearing to consider the May 29 Request was held in writing;

AND WHEREAS the Commission declined to make the proposed order but provided the parties with an opportunity to make further oral or written submissions;

AND WHEREAS at the request of the parties, an oral hearing was scheduled for August 19, 2013 at 3:00 p.m. to permit the parties to make submissions in connection with the May 29 Request;

AND WHEREAS in connection with the May 29 Request Feder filed a sworn Statement of Financial Condition on July 31, 2013;

AND WHEREAS by letter dated August 16, 2013, Staff informed the Office of the Secretary of the Commission that it withdrew its consent to the May 29 Request and the parties requested that the hearing scheduled for August 19, 2013 be adjourned *sine die* on consent;

AND WHEREAS the hearing scheduled for August 19, 2013 to consider the May 29 Request was adjourned *sine die*;

AND WHEREAS on July 4, 2014, Feder filed an assignment into bankruptcy;

AND WHEREAS by virtue of the Disgorgement Order, the Commission is a creditor of Feder;

AND WHEREAS a further order of the Commission is required for the release of the Funds held in trust by Aird & Berlis LLP to A. Farber & Partners Inc., the Trustee in Bankruptcy of the Feder Estate, so that such Funds may be distributed to creditors of the Feder Estate in accordance with relevant provisions of the *Bankruptcy Act*;

AND WHEREAS Staff consents to the proposed order;

AND WHEREAS Feder does not oppose the proposed order;

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

IT IS ORDERED that the January 20, 2012 Order is further varied to remove the condition of the March 28, 2012 Order that the proceeds from the sale of shares be held in trust by Aird & Berlis LLP, such that the Funds may be released by Aird & Berlis LLP to A. Farber & Partners Inc., the Trustee in Bankruptcy of the Estate of Elliot Feder.

DATED AT TORONTO this 20th day of February, 2015.

“James E. A. Turner”

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