



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

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

**O R D E R
(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 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 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, the Commission granted the Respondents' request to continue this matter as an oral hearing;

AND WHEREAS Staff filed the Affidavit of Lee Cran, sworn February 4, 2015, and the Supplemental Affidavit of Lee Cran, sworn February 5, 2015;

AND WHEREAS the oral hearing of this matter was held on February 9, 2015;

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 s. 127(1)2 of the Act, trading in any securities of PSI shall cease permanently;
- b. pursuant to s. 127(1)(2) of the Act, trading in any securities by PSI shall cease permanently;
- c. pursuant to s. 127(1)2 of the Act, trading in any securities by PUL shall cease permanently;
- d. pursuant to s. 127(1)2 of the Act, trading in any securities by Cleworth shall cease for a period of 10 years from the date of this order, except Cleworth shall be permitted to trade securities through a registrant for the account of his Registered Retirement Savings Plan, as defined in the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, provided that

he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided Cleworth first notifies the registrant of these conditions by delivering to the registrant a copy of this order;

- e. pursuant to s. 127(1)3 of the Act, any exemptions contained in Ontario securities law do not apply to Cleworth for a period of 10 years from the date of this order;
- f. pursuant to s. 127(1)7 of the Act, Cleworth resign any positions that he holds as director or officer of an issuer;
- g. pursuant to s. 127(1)8 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an issuer for a period of 10 years from the date of this order;
- h. pursuant to s. 127(1)8.1 of the Act, Cleworth resign any positions he holds as director or officer of a registrant;
- i. pursuant to s. 127(1)8.2 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of a registrant permanently;
- j. pursuant to s. 127(1)8.3 of the Act, Cleworth resign any positions he holds as director or officer of an investment fund manager;
- k. pursuant to s. 127(1)8.4 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an investment fund manager permanently; and
- l. pursuant to s. 127(1)8.5 of the Act, Cleworth be prohibited from becoming or acting as a registrant or as an investment fund manager permanently.

DATED at Toronto this 17th day of March, 2015.

"Alan J. Lenczner, Q.C."

Alan J. Lenczner, Q.C.