



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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20, rue queen ouest
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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 MORTGAGE COMPANY OF CANADA INC., MCC
ASSET MANAGEMENT INC., MCC MORTGAGE HOLDINGS INC., RAJ
BABBER, and GREG GOUTIS**

- and -

**IN THE MATTER OF A
SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND
MORTGAGE COMPANY OF CANADA INC., MCC ASSET MANAGEMENT INC.,
MCC MORTGAGE HOLDINGS INC.,
RAJ BABBER, and GREG GOUTIS**

ORDER

(Sections 127 and 127.1 of the *Securities Act*)

WHEREAS:

1. On August 14, 2015, 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**”) to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Mortgage Company of Canada Inc. (“**MCOCI**”), MCC Asset Management Inc. (“**MCC**”), MCC Mortgage Holdings Inc. (“**MCCMH**”), Raj Babber (“**Babber**”) and Greg Goutis (“**Goutis**”) (collectively, the “**Respondents**”). The Notice of Hearing was issued in connection with the allegations set out in the Statement of Allegations of Staff of the Commission (“**Staff**”) dated August 13, 2015;
2. The Respondents have entered into a Settlement Agreement with Staff of the Commission dated August 14, 2015 (the “**Settlement Agreement**”) in which the Respondents agreed to a

proposed settlement of the proceeding commenced by the Notice of Hearing dated August 14, 2015, subject to the approval of the Commission;

3. The Notice of Hearing dated August 14, 2015, also announced that the Commission proposed to hold a hearing to consider whether it is in the public interest to approve the settlement agreement entered into between Staff and the Respondents;
4. Pursuant to the Settlement Agreement, the Respondents have given a joint and several undertaking to the Commission, in the form attached as Schedule “B” to the Settlement Agreement (the “**Undertaking**”), to redeem, at the same time, and within thirty (30) days of the date of the Commission’s order approving the Settlement Agreement, all remaining common shares in the capital of MCOCI held by the seven remaining Non-Exempt Investors, in the amount of \$160,580, subject, in the case of MCOCI, to compliance with the solvency provisions under applicable law;
5. The Respondents acknowledge that failure to pay in full any monetary sanctions and/or costs ordered will result in the Respondent’s name being added to the list of “Respondents Delinquent in Payment of Commission Orders” published on the Commission’s website;
6. The Respondents acknowledge that this Order may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which he/she may intend to engage in any securities related activities, prior to undertaking such activities;
7. The Commission is of the opinion that it is in the public interest to make this Order.

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from counsel for the Respondents, and from Staff;

IT IS HEREBY ORDERED THAT:

- a. The Settlement Agreement is approved;
- b. the Respondents shall each be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- c. Babber and Goutis shall each successfully complete the Canadian Securities Course Exam, Exempt Market Products Exam and the PDO Exam (“**Required Courses**”) as those terms are defined in section 3.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, before applying to become a registrant with the Commission. Pending the successful completion of the Required Courses, pursuant to paragraphs 8, 8.2, 8.4 of subsection 127(1) of the Act, Babber and Goutis will each be prohibited from becoming or acting as a director or officer of any reporting issuer, registrant, or investment fund manager, and pursuant to paragraph 8.5 of subsection 127(1) of the Act, Babber and Goutis will each be prohibited from becoming or acting as a registrant, investment fund manager, or promoter;
- d. following approval of the Settlement Agreement, any subsequent trades of securities of MCOCI in Ontario will be made through or to a dealer registered under the Act in a category that permits such trade, or by the Respondents directly only if and when registered to conduct such trades;
- e. in the event that the Respondents do not fully comply with the Undertaking, the Respondents shall, pursuant to paragraph 10 of subsection 127(1) of the Act, immediately disgorge to the Commission the unpaid balance arising from the Undertaking, up to the amount of \$160,580. The amount of up to \$160,580 to be disgorged to the Commission pursuant to this subparagraph (e) shall be reduced by the same amount as any funds paid back to the Non-Exempt Investors in accordance with the Undertaking, provided that satisfactory supporting evidence of such payments is provided by the Respondents to Staff. The disgorgement amount

shall be designated for allocation or for use by the Commission in accordance with subparagraphs (b)(i) or (ii) of subsection 3.4(2) of the Act;

- f. the Respondents, jointly and severally, shall pay to the Commission an administrative penalty, pursuant to paragraph 9 of subsection 127(1) of the Act, in the amount of \$75,000, payable within sixty (60) days from the date of the Commission's order approving the Settlement Agreement, for their failure to comply with Ontario securities law. The administrative penalty shall be designated for allocation or for use by the Commission pursuant to subparagraphs (b)(i) or (ii) of subsection 3.4(2) of the Act;
- g. the Respondents shall, jointly and severally, pay costs in the amount of \$25,000 within sixty (60) days of the date of this Order, pursuant to section 127.1 of the Act;
- h. in the event that any of the amounts are not paid when due in accordance with the Undertaking, or subparagraphs (e), (f) and (g) of this Order:
 - i. pursuant to paragraph 2 of section 127(1) of the Act, trading in any securities by or of any of the Respondents shall cease until such amounts are paid to the Commission;
 - ii. pursuant to paragraph 2.1 of section 127(1) of the Act, acquisition of any securities by any of the Respondents shall be prohibited until such amounts are paid to the Commission; and
 - iii. any exemptions contained in Ontario securities law shall not apply to any of the Respondents until such amounts are paid to the Commission.
- i. until the entire amount of the payments set out in the Undertaking, or subparagraphs (e), (f) and (g) of this Order are paid in full, pursuant to paragraph 8.5 of subsection 127(1) of the Act, MCOCI, MCC and MCCMH shall each be prohibited from becoming or acting as a registrant, investment fund manager or promoter, and the provisions of paragraphs (c) and (h) above, shall continue in force without any limitation as to time period.

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

“C. Portner”
