



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 7997698 CANADA INC., carrying on business as
INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC., WORLD
INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG**

ORDER

WHEREAS:

1. on November 21, 2014, the Ontario Securities Commission (the “Commission”) issued a temporary order (the “Temporary Order”) pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the “Act”), by which the Commission ordered:
 - a. that all trading in any securities by 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, or WIC (ON) (“7997698”), John Lee also known as Chin Lee (“Lee”), and Mary Huang also known as Ning-Sheng Mary Huang (“Huang”) shall cease; and
 - b. that the exemptions contained in Ontario securities law do not apply to any of 7997698, Lee, and Huang;
2. on November 21, 2014, the Commission ordered that the Temporary Order expire on the 15th day after its making unless extended by order of the Commission;

3. on November 24, 2014, the Commission issued a Notice of Hearing providing that a hearing would be held on Wednesday December 3, 2014, pursuant to subsections 127(7) and (8) of the Act, to consider, among other things, the extension of the Temporary Order;
4. Staff of the Commission served the Respondents with copies of the Temporary Order, the Notice of Hearing, the Hearing Brief, the Supplementary Hearing Brief, and Staff's Written Submissions and Brief of Authorities, as evidenced by the Affidavits of Service sworn by Steve Carpenter on December 1, 2014, and December 2, 2014;
5. on December 3, 2014, the Commission held a hearing, at which Lee attended but Huang did not attend although properly served, and at which the Commission heard submissions from counsel for Staff and from Lee on his own behalf and on behalf of 7997698, and the Commission ordered that the Temporary Order be extended to June 3, 2015, and that the proceeding be adjourned until Wednesday, May 27, 2015, at 10:00 a.m.;
6. on March 11, 2015, the Commission issued a Notice of Hearing providing that a hearing would be held on April 10, 2015, pursuant to sections 127 and 127.1 of the Act, in connection with a Statement of Allegations filed by Staff of the Commission on March 11, 2015 with respect to 7997698, Lee, and Huang (collectively, the "Respondents");
7. on April 9, 2015, on consent of Staff, 7997698 and Lee, the Commission adjourned the hearing (the "First Appearance") to April 23, 2015;
8. on April 23, 2015, counsel for Staff and counsel for the Respondents 7997698 and Lee appeared before the Commission and the Commission ordered that:
 - a. Staff provide to the Respondents disclosure of documents and things in the possession or control of Staff that are relevant to the hearing on or before May 22, 2015,

- b. the First Appearance shall continue on May 27, 2015, for the purpose of providing an update with respect to service on Huang,
 - c. a Second Appearance be held on July 22, 2015,
 - d. any requests by any of the Respondents for disclosure of additional documents be set out in a Notice of Motion to be filed no later than 5 days before the Second Appearance,
 - e. at the Second Appearance, any motions by any of the Respondents with respect to disclosure provided by Staff would be heard or scheduled for a subsequent date, and
 - f. in the event of the failure of any party to attend at the time and place stated above, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;
9. on May 15, 2015, with respect to the Temporary Order, Staff served the Respondents with copies of a Further Supplementary Hearing Brief (two volumes), Supplemental Staff Written Submissions, and a Supplemental Brief of Authorities;
10. on May 27, 2015, the Commission held a hearing at which counsel for Staff attended but no one attended for the Respondents, and the Commission heard submissions from counsel for Staff and the Commission was advised that (i) Huang had retained counsel, and (ii) the Respondents sought an adjournment of the proceeding and counsel for Staff filed a consent of the Respondents to an extension of the Temporary Order until one week after the Second Appearance and the Commission ordered that the Temporary Order was extended until July 29, 2015; and specifically:
- a. that all trading in any securities by the Respondents cease,
 - b. that the exemptions contained in Ontario securities law do not apply to any of the Respondents,

- c. any person or company affected by that Order may apply to the Commission for an order revoking or varying the Order pursuant to s. 144 of the Act upon seven days' written notice to Staff of the Commission, and
 - d. the proceeding be adjourned to July 22, 2015;
- 11. on July 22, 2015, counsel for Staff and counsel for the Respondents appeared before the Commission and advised that the Respondents consented to an extension of the Temporary Order until the conclusion of the merits hearing and the Commission ordered that:
 - a. the Temporary Order be extended until April 29, 2016; and specifically:
 - i. that all trading in any securities by the Respondents cease, and
 - ii. that the exemptions contained in Ontario securities law do not apply to any of the Respondents;
 - b. the Respondents make disclosure to Staff of their witness list and summaries and indicate any intent to call an expert witness, and provide Staff the name of the expert and state the issue on which the expert will be giving evidence, on or before September 9, 2015;
 - c. the proceeding "IN THE MATTER OF 7997698 CANADA INC., carrying on business as INTERNATIONAL LEGAL AND ACCOUNTNG SERVICES INC., WORLD INCUBATION CENTRE, or WIC(ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG," commenced by Notice of Hearing on November 24, 2014, be combined with the proceeding "IN THE MATTER OF 7997698

CANADA INC., carrying on business as INTERNATIONAL LEGAL AND ACCOUNTNG SERVICES INC., WORLD INCUBATION CENTRE, or WIC(ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG,” commenced by Notice of Hearing on March 11, 2015, and any further notices or orders be made under a single title of proceeding; and

- d. a Third Appearance be held on September 24, 2015;
12. on September 14, 2015, Staff made a motion with respect to the witness list and witness summaries provided by Lee and 7997698 returnable at the Third Appearance or a date to be set at the Third Appearance (“Staff’s Witness Motion”);
 13. on September 24, 2015, David Quayat, counsel for 7997698 and Lee, filed a notice of motion pursuant to Rule 1.7.4 of the Commission’s *Rules of Procedure* (the “Rules”), seeking leave to withdraw as representative for 7997698 and Lee and requesting that the motion be heard in writing (the “Withdrawal Motion”) and the Commission ordered that:
 - a. the Withdrawal Motion be heard in writing; and
 - b. David Quayat be granted leave to withdraw as representative for 7997968 and Lee;
 14. on September 24, 2015,
 - a. Lee, counsel for Staff, and counsel for Huang appeared before the Commission for the Third Appearance, and Lee advised that he represented 7997698, and although the Respondents were properly served, the Commission made no finding regarding Lee’s capacity to represent 7997698;

- b. Lee and counsel for Staff appeared before the Commission for Staff's Witness Motion, and Lee requested an adjournment so that he could properly respond to Staff's Witness Motion; and
 - c. the Commission ordered that:
 - i. a confidential pre-hearing conference be held on October 6, 2015; and
 - ii. Staff's Witness Motion, if necessary, and the continuation of the Third Appearance be held on October 19, 2015;
- 15. On October 6, 2015, Lee and counsel for Staff appeared before the Commission for a confidential pre-hearing conference, no one appeared for Huang although properly served, and the Commission ordered that should Lee wish to bring a motion to the Commission for an order varying the freeze directions made in this proceeding to permit the payment of legal fees, Lee must serve upon Staff and file with the Commission his motion materials by October 14, 2015, with the motion to be heard on October 19, 2015;
- 16. on October 19, 2015,
 - a. Lee and counsel for Staff appeared before the Commission for:
 - i. Staff's Witness Motion, with respect to which Lee submitted a revised list of intended witnesses and Staff advised that it was therefore no longer seeking an order;
 - ii. Lee's motion to vary the Commission freeze directions to permit the payment of legal fees;
 - iii. Lee's motion for permission to represent 7997698 in this proceeding, with respect to which Lee advised that he had sent

to Huang, Charles Yong, Fenglany Yang, Jing Xiang Xie, and Jina Liu (collectively, the “Beneficial Owners” of 7997698, according to Lee) a request for consent (a copy of which was marked as Exhibit 1 in this proceeding); and

iv. Lee’s motion for directions regarding Staff’s disclosure; and

b. Lee, counsel for Staff, and counsel for Huang appeared before the Commission for the continuation of the Third Appearance; and

17. the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED THAT:

1. Lee’s motion to vary the Commission’s freeze directions is dismissed, without prejudice to the right of any party to renew that request;
2. Lee’s motion for permission to represent 7997698 in this proceeding is dismissed;
3. Lee’s motion for directions regarding Staff’s disclosure is dismissed;
4. on or before February 22, 2016, each party shall deliver to every other party copies of documents that it intends to produce or enter as evidence at the hearing on the merits in this proceeding (the “Hearing Briefs”);
5. a Final Interlocutory Appearance shall be held at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on March 1, 2016, at 10:00 a.m., or on such other date and time as may be fixed by the Office of the Secretary and agreed to by the parties;
6. no later than February 25, 2016, the parties shall file with the Office of the Secretary copies of indices to their Hearing Briefs, if any;

7. the hearing on the merits in this proceeding shall be held at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on April 4, 2016, at 10:00 a.m., and continuing on April 11 to 15, April 25 to 29, and May 2, 4, 5, and 6, 2016, beginning at 10:00 a.m. each day; and
8. Staff and Lee shall take all reasonable steps to provide a copy of this order to the Beneficial Owners.

DATED at Toronto this 19th day of October, 2015.

“Timothy Moseley”

Timothy Moseley

“Janet Leiper”

Janet Leiper