



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
DAVID CHARLES PHILLIPS AND JOHN RUSSELL WILSON**

ORDER

WHEREAS

1. On June 4, 2012, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing in relation to a Statement of Allegations filed by Staff of the Commission ("**Staff**") against David Charles Phillips ("**Phillips**") and John Russell Wilson ("**Wilson**") (together, the "**Respondents**");
2. On April 25, 2013, Staff filed an Amended Statement of Allegations;
3. Following the hearing on the merits which commenced on June 5, 2013 and continued on June 6, 7, 10, 11, 12, 13, 17, 19, 20 and 24, 2013, the Commission issued its Reasons and Decision with respect to the merits on January 14, 2015 (the "**Merits Decision**");
4. The Commission determined that the Respondents had not complied with Ontario securities law and had acted contrary to the public interest, as described in the Merits Decision;
5. On May 11, 2015, the Commission held a hearing with respect to the sanctions and costs, if any, to be imposed in this matter;
6. On October 28, 2015, the Commission released its Reasons and Decision on Sanctions and Costs in this matter;
7. The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED that:

1. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by each of Phillips and Wilson shall cease permanently, except, after payment has been made in full in respect of administrative penalties and disgorgement for each Respondent, trading shall be permitted only in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans (as defined in the Income Tax Act (Canada)) in which the Respondent and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Order at the time he opens or modifies these accounts.
2. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by each of Phillips and Wilson shall be prohibited permanently, except, after payment has been made in full in respect of administrative penalties and disgorgement for each Respondent, the acquisition of any securities by the Respondent shall be permitted only in mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans (as defined in the Income Tax Act (Canada)) in which the Respondent and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Order at the time he opens or modifies these accounts.
3. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to each of Phillips and Wilson permanently;
4. pursuant to paragraph 7 of subsection 127(1) of the Act, Phillips and Wilson shall resign any position that they hold as a director or officer of an issuer;
5. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Phillips and Wilson shall be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
6. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Phillips and Wilson shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;
7. pursuant to paragraph 9 of subsection 127(1) of the Act, Phillips shall pay an administrative penalty of \$700,000 for his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;
8. pursuant to paragraph 9 of subsection 127(1) of the Act, Wilson shall pay an administrative penalty of \$400,000 for his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;

9. pursuant to paragraph 10 of subsection 127(1) of the Act, Phillips and Wilson shall jointly and severally disgorge to the Commission a total of \$7,817,739 that was obtained as a result of their non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act;
10. pursuant to paragraph 10 of subsection 127(1) of the Act, Phillips, in addition, shall disgorge to the Commission a total of \$8,779,515 that was obtained as a result of his non-compliance with Ontario securities law, to be designated for allocation or use by the Commission, pursuant to subsection 3.4(2)(b) of the Act; and
11. pursuant to subsection 127.1 of the Act, Phillips and Wilson shall jointly and severally pay \$340,867.50 for the costs incurred in this matter.

DATED at Toronto this 28th day of October, 2015.

"Edward Kerwin"

Edward P. Kerwin