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Ontario
Securities
Commission
queen ouest

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

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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
WEIZHEN TANG**

**Order
(Subsections 127(1) and 127(10))**

WHEREAS on September 30, 2013, 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") accompanied by a Statement of Allegations of Staff of the Commission ("Staff") dated September 30, 2013 with respect to Weizhen Tang ("Tang");

AND WHEREAS the Notice of Hearing stated that a hearing would be held at the offices of the Commission on November 13, 2013;

AND WHEREAS on November 13, 2013, Staff attended the hearing and filed the Affidavits of Service of Jeff Thomson sworn October 4, 2013 demonstrating personal service of the Notice of Hearing and Statement of Allegations on Tang;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS Tang's wife attended the hearing and addressed the Panel;

AND WHEREAS on November 13, 2013, Staff requested that the hearing be adjourned to January 2014;

AND WHEREAS the Commission ordered that the hearing be adjourned to January 21, 2014 at 10:00 a.m.;

AND WHEREAS on January 21, 2014, Counsel for Staff attended the hearing and filed the Affidavit of Service of Tia Faerber sworn January 17, 2014 as Exhibit "1" demonstrating service of the Commission's Order dated November 13, 2013 on Tang;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS Tang's wife, Hong Xiao, attended the hearing and addressed the Panel;

AND WHEREAS on January 21, 2014, Counsel for Staff requested that the hearing be adjourned to February 24, 2014;

AND WHEREAS on January 21, 2014, the Commission ordered that the hearing be adjourned to February 24, 2014 at 10:00 a.m.;

AND WHEREAS in advance of the hearing on February 24, 2014, Staff filed the Affidavit of Service of Tia Faerber, sworn February 18, 2014 demonstrating service of the Commission's Order dated January 21, 2014 on Tang;

AND WHEREAS on February 24, 2014, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS Tang's wife, Hong Xiao, attended the hearing and addressed the Panel;

AND WHEREAS the Commission ordered that the hearing be adjourned to October 27, 2014 at 2:00 p.m.;

AND WHEREAS in advance of the hearing on October 27, 2014, Staff filed the Affidavit of Alice Hewitt sworn October 22, 2014 demonstrating service of the Commission's Order dated February 24, 2014 on Tang;

AND WHEREAS on October 27, 2014, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS the Commission ordered that the hearing be adjourned to April 27, 2015 at 9:00 a.m.;

AND WHEREAS in advance of the hearing on April 27, 2015, Staff filed the Affidavit of Service of Alice Hewitt sworn March 2, 2015 demonstrating service of the Commission's Order dated October 28, 2014 on Tang;

AND WHEREAS on April 27, 2015, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS on April 27, 2015, the Commission ordered that the hearing be adjourned to September 14, 2015 at 10:00 a.m.;

AND WHEREAS in advance of the hearing on September 14, 2015, Staff filed the Affidavit of Service of Alice Hewitt sworn June 23, 2015 demonstrating service of the Commission's Order dated April 27, 2015 on Tang;

AND WHEREAS on September 14, 2015, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang attended the hearing and made submissions;

AND WHEREAS the Commission ordered that the hearing be adjourned to October 2, 2015 at 9:00 a.m.;

AND WHEREAS in advance of the hearing on October 2, 2015, Staff filed the Affidavit of Alice Hewitt sworn September 23, 2015 demonstrating service of the Commission's Order dated September 14, 2015 on Tang;

AND WHEREAS on October 2, 2015, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang attended the hearing and made submissions;

AND WHEREAS on October 2, 2015, the Commission ordered that a pre-hearing conference be scheduled for Friday, November 6, 2015 at 9:00 a.m., and the hearing on the merits (the "Merits Hearing") be scheduled for January 13, 14 and 15, 2016;

AND WHEREAS in advance of the pre-hearing conference on November 6, 2015, Staff filed the Affidavit of Service of Alice Hewitt sworn October 7, 2015 demonstrating service of the Commission's Order dated October 2, 2015 on Tang and Staff also filed the Affidavit of Service of Anne Paiement sworn October 5, 2015 demonstrating service of Staff's first tranche of disclosure relating to this proceeding on Tang;

AND WHEREAS in advance of the pre-hearing conference on November 6, 2015, Tang filed Pre-Hearing Conference Submissions, expressing his intention to call a number of investors and current and former Commission staff members as witnesses;

AND WHEREAS in advance of the pre-hearing conference on November 6, 2015, Tang brought an application seeking relief pertaining to the freezing of certain funds held on behalf of corporations controlled by Tang, by Order of the Ontario Superior Court of Justice (the “Frozen Funds Application”);

AND WHEREAS on November 6, 2015, Counsel for Staff attended the pre-hearing conference and made submissions and Tang attended the pre-hearing conference and made submissions;

AND WHEREAS on November 11, 2015, the Commission ordered that:

- (a) Subject to the authority of the Panel presiding over the Merits Hearing, Tang shall not be permitted to summon as witnesses at the Merits Hearing any of the three Staff members identified as prospective witnesses in Tang’s Pre-Hearing Conference Submissions;
- (b) Subject to the authority of the Panel presiding over the Merits Hearing, Tang shall be permitted to summon no more than six investor witnesses at the Merits Hearing unless Tang provides the Panel with compelling reasons for doing so;
- (c) Subject to the authority of the Panel presiding over the Merits Hearing, the evidence that Tang may lead at the Merits Hearing shall be restricted to matters relevant to the appropriate sanction or sanctions that may be imposed on Tang under subsection 127(10) of the *Securities Act*;
- (d) Tang shall file and serve witness statements for the witnesses he intends to summon by no later than November 20, 2015, setting out their names and disclosing the substance of their anticipated evidence at the hearing on the merits;
- (e) Any hearing of the Frozen Funds Application, which would include a determination of the authority of a Panel to grant any relief in respect of such Application, shall be adjourned *sine die* pending the disposition of the motion brought by Representative Counsel before the Superior Court of Justice and served on Tang on November 6, 2014;

- (f) Staff shall advise the Commission, through the office of the Secretary, of the disposition of such motion by Representative Counsel and, if the motion is not disposed of in a timely fashion, Staff shall so alert the office of the Secretary for the purpose of permitting the Frozen Funds Application to be spoken to further;
- (g) Staff and Tang shall each deliver a Hearing Brief by no later than December 1, 2015; and
- (h) A further pre-hearing conference shall be held on November 25, 2015 at 9:00 a.m.;

AND WHEREAS in advance of the pre-hearing conference on November 25, 2015, Staff filed the Affidavit of Service of Lee Crann sworn November 23, 2015 demonstrating service of the Commission's Order dated November 11, 2015 on Tang, and the Affidavit of Service of Anne Paiement sworn November 6, 2015, demonstrating service of Staff's second tranche of disclosure relating to this proceeding on Tang;

AND WHEREAS Tang failed to deliver witness statements on or before November 20, 2015;

AND WHEREAS on November 25, 2015, Tang and Counsel for Staff attended the pre-hearing conference and made submissions;

AND WHEREAS on November 27, 2015, the Commission ordered that:

- (a) Tang shall file witness statements for the witnesses he intends to summon by no later than December 18, 2015, setting out their names and disclosing the substance of their anticipated evidence at the Merits Hearing;
- (b) Staff and Tang shall each deliver a Hearing Brief by no later than December 18, 2015;
- (c) A further pre-hearing conference is scheduled for December 18, 2015 at 9:00 a.m.; and

- (d) The hearing dates of January 13, 14, and 15, 2016 scheduled for the Merits Hearing are vacated, and the Merits Hearing shall take place on February 17, 18, and 19, 2016.

AND WHEREAS in advance of the pre-hearing conference on December 18, 2015, Staff filed the Affidavit of Service of Lee Crann, sworn December 14, 2015, demonstrating service of the Commission's Order dated November 27, 2015 on Tang;

AND WHEREAS Tang failed to deliver witness statements or a Hearing Brief on or before December 18, 2015;

AND WHEREAS on December 18, 2015, Tang and Counsel for Staff attended the pre-hearing conference and made submissions;

AND WHEREAS on December 18, 2015 the Commission ordered that:

- (a) Tang shall file witness statements for the witnesses he intends to request the Commission to summons by no later than January 8, 2016, setting out the names of the witnesses, their addresses, and disclosing the substance of their anticipated evidence at the Merits Hearing;
- (b) Tang shall not be permitted to file a Hearing Brief without leave of the Panel;
and
- (c) A further pre-hearing conference is scheduled for January 18, 2016 at 9:00 a.m.;

AND WHEREAS in advance of the pre-hearing conference on January 18, 2016, Staff filed the Affidavit of Service of Martha Reilly sworn January 5, 2016, demonstrating service of the Commission's Order dated December 18, 2015 on Tang;

AND WHEREAS in advance of the pre-hearing conference on January 18, 2016, Tang delivered a list of witnesses he intends to request the Commission to summons;

AND WHEREAS throughout this proceeding, Tang has delivered a number of documents to the Commission and Staff in a manner inconsistent with the service and filing rules in the Commission's *Rules of Procedure*;

AND WHEREAS on January 18, 2016 Tang and Counsel for Staff attended the pre-hearing conference and made submissions;

AND WHEREAS on January 18, 2016, Tang requested the Commission issue summonses to witnesses for the Merits Hearing;

AND WHEREAS on January 20, 2016, the Commission ordered that:

- (a) In the event that more than six investor witnesses appear at the Merits Hearing, Tang shall be permitted to examine no more than six investor witnesses unless Tang provides the Panel with compelling reasons for doing so;
- (b) Mandarin/English and English/Mandarin interpretation services will be provided for the Merits Hearing. The interpretation services will be limited to the translation of *viva voce* evidence presented by Tang and Staff and will not include the translation of documents; and
- (c) Any document that has been delivered by Tang in a manner inconsistent with the Commission's *Rules of Procedure* will not be considered to have been filed and will not be subject to consideration by the Panel. If Tang wishes to rely on any such documentary evidence at the Merits Hearing, he must tender such documentary evidence at the Merits Hearing and the Panel will determine its admissibility on a document-by-document basis; and

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order.

IT IS ORDERED THAT:

The parties shall attend a confidential pre-hearing conference at 9:00 a.m. on February 17, 2016.

DATED at Toronto this 10th day of February, 2016.

“Christopher Portner”

Christopher Portner