



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**

- and -

**IN THE MATTER OF A
SETTLEMENT AGREEMENT BETWEEN STAFF
OF THE ONTARIO SECURITIES COMMISSION AND
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

(Subsections 127(1) and 127.1)

WHEREAS:

1. on March 11, 2015, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsections 127(1) 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 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. (“ILAS”), World Incubation Centre (“WIC”), and WIC (ON) (collectively, “799”), John Lee also known as Chin Lee (“Lee”), and Mary Huang also known as Ning-Sheng Mary Huang (“Huang”) (collectively, the “Respondents”). The Notice of Hearing was issued in connection with the allegations as set out in the Statement

of Allegations of Staff of the Commission (“Staff”) dated March 11, 2015 (the “Statement of Allegations”);

2. the Respondents entered into a Settlement Agreement with Staff dated April 7, 2016 (the “Settlement Agreement”) in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 11, 2015, subject to the approval of the Commission;

3. on April 8, 2016, the Commission issued a Notice of Hearing to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondents;

4. On November 25, 2014, the Commission commenced an application pursuant to subsection 126(5) of the Act on the Commercial List of the Ontario Superior Court of Justice in Court File CV-14-10768-00CL (the “Freeze Direction Application”) for an order to continue six freeze directions, made pursuant to subsection 126(1) of the Act, which were issued on November 21, 2014 (collectively, the “Commission Freeze Directions”). It is contemplated that in the Freeze Direction Application, the Court will be asked to issue an order, and that the Commission and the Respondents will consent to such order, for the payment into Court of the funds frozen by the Commission Freeze Directions and additional funds, and to order the implementation of a distribution plan for these funds (the “Court Ordered Distribution Process”);

5. Huang undertakes to comply with Ontario securities law;

6. 799 and Lee acknowledge that failure to pay in full any monetary sanctions and/or costs ordered will result in their names being added to the list of “Respondents Delinquent in Payment of Commission Orders” published on the OSC website;

7. 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;

8. the Commission has reviewed the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and heard submissions from Lee, counsel for Huang, and from Staff;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. trading in any securities or derivatives by 799 shall cease for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;

3. trading in any securities or derivatives by Lee shall cease for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;

4. the acquisition of any securities by 799 is prohibited for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

5. the acquisition of any securities by Lee is prohibited for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

6. any exemptions contained in Ontario securities law do not apply to 799 for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;
7. any exemptions contained in Ontario securities law do not apply to Lee for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;
8. 799 and Lee be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
9. Lee resign one or more positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
10. Lee resign one or more positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;
11. Lee resign one or more positions that he holds as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;
12. Lee is prohibited from becoming or acting as a director or officer of any issuer for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act;
13. Lee is prohibited from becoming or acting as a director or officer of any registrant for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.2 of subsection 127(1) of the Act;
14. Lee is prohibited from becoming or acting as a director or officer of any investment fund manager for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

15. Lee is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

16. 799 and Lee pay an administrative penalty on a joint and several basis in the amount of \$50,000, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraph 9 of subsection 127(1) of the Act;

17. 799 and Lee disgorge on a joint and several basis to the Commission the amount of \$4,789,581, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraph 10 of subsection 127(1) of the Act, which amount shall be subject to reduction equivalent to the amount of 799 investor claims satisfied by the Court Ordered Distribution Process;

18. 799 and Lee shall pay costs on a joint and several basis in the amount of \$10,000, pursuant to section 127.1 of the Act;

19. Lee's right to (i) call at any residence for the purpose of trading in securities, or (ii) telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in securities, is suspended for six years from commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to subsection 37(1) of the Act.

20. With respect to the payments to be ordered in paragraph 16 and 18 above, Lee shall make payment of \$60,000 by certified cheque or bank draft when the Commission approves this Settlement Agreement.

DATED at Toronto, this 11th day of April, 2016.

"Alan J. Lenczner"

Alan J. Lenczner