



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 PRO-FINANCIAL ASSET MANAGEMENT INC.,  
STUART MCKINNON and JOHN FARRELL**

**ORDER  
(Section 127)**

**WHEREAS:**

1. On December 9, 2014, 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") returnable January 14, 2015 accompanied by a Statement of Allegations dated December 8, 2014 with respect to Pro-Financial Asset Management Inc. ("PFAM"), Stuart McKinnon ("McKinnon") and John Farrell ("Farrell") (collectively, the "Respondents");
2. On January 14, 2015, Staff of the Commission ("Staff"), counsel for PFAM and McKinnon and counsel for Farrell attended before the Commission;
3. On January 14, 2015, the Commission ordered that the hearing be adjourned to February 25, 2015 at 10:00 a.m. for the purpose of scheduling a date for a confidential pre-hearing conference as may be appropriate;
4. On February 25, 2015, Staff advised that the initial electronic disclosure of approximately 11,000 pages was sent to counsel for the Respondents on January 12, 2015 and the remaining electronic disclosure of approximately 7,400 pages was sent to counsel for the Respondents on February 24, 2015;
5. On February 25, 2015, Staff advised that the Commission order dated January 14, 2015 should have referred to 11,000 pages of disclosure and not 11,000 documents;

6. On February 25, 2015, a confidential pre-hearing conference was held immediately following the public hearing as requested by the parties;
7. On April 9, 2015, the confidential pre-hearing conference continued and Staff, counsel for PFAM and McKinnon, and counsel for Farrell attended before the Commission;
8. On June 15, 2015, the confidential pre-hearing conference continued and Staff and counsel for PFAM and McKinnon attended before the Commission;
9. On June 17, 2015, the Commission ordered that the Second Appearance be held on September 15, 2015 at 10:00 a.m. and that:
  - a. Staff shall make disclosure, no later than five days before the date of the Second Appearance, of their witness list and summaries and indicate any intention to call an expert witness, in which event they shall provide the name of the expert and state the issue or issues on which the expert will be giving evidence; and
  - b. Any requests by any of the Respondents for disclosure of additional documents shall be set out in a Notice of Motion which shall be filed no later than 10 days before the date of the Second Appearance;
10. On June 19, 2015, counsel for PFAM and McKinnon filed a notice of motion pursuant to Rule 1.7.4. of the Commission's Rules of Procedure (2014), 37 O.S.C.B. 4168 seeking leave to withdraw as counsel for PFAM and the Commission granted such motion on September 15, 2015;
11. On June 30, 2015, the Commission heard a motion brought by McKinnon, in which he sought registration as a dealing representative at a mutual fund dealer (the "Registration Motion");
12. On September 14, 2015, the Commission released its reasons and order dismissing the Registration Motion;
13. On September 15, 2015, the Second Appearance was held and Staff advised that: (i) on August 31, 2015, Staff provided a third tranche of disclosure (2,960 pages) to the Respondents; (ii) on September 11, 2015, Staff provided a fourth tranche of disclosure (251 pages) to the Respondents; and (iii) on September 10, 2015, Staff provided its preliminary witness list and a chart setting out the location in Staff's disclosure of the transcripts and affidavits relevant to Staff's witnesses;

14. On September 15, 2015, counsel for McKinnon advised that McKinnon intended to bring a motion for a preliminary determination of certain issues in Staff's Statement of Allegations (the "Preliminary Determination Motion");
15. On September 17, 2015, the Commission ordered that the Third Appearance be held on November 16, 2015 at 9:00 a.m. and that:
  - a. The Preliminary Determination Motion shall be heard on November 6, 2015 at 10:00 a.m.;
  - b. PFAM and McKinnon shall make disclosure to Staff, by no later than 30 days before the date of the Third Appearance, of their witness lists and summaries and indicate any intention to call an expert witness, in which event they shall provide Staff with the name of the expert and state the issue or issues on which the expert will be giving evidence; and
  - c. The dates for the hearing on the merits and for the provision of expert affidavits or reports, if any, will be set at the Third Appearance;
16. On November 6, 2015, Staff and counsel for McKinnon filed written memoranda of fact and law and made oral submissions on the Preliminary Determination Motion and the panel reserved its decision;
17. On November 6, 2015, Staff and counsel for McKinnon agreed to reschedule the Third Appearance from November 16, 2015 at 9:00 a.m. to December 2, 2015 at 10:00 a.m. and that the dates for the hearing on the merits and for the provision of expert affidavits or reports, if any, will be set at the Third Appearance;
18. On November 26, 2015, the Commission released its Order dismissing the Preliminary Determination Motion with reasons to follow;
19. On November 30, 2015, the Commission released its reasons relating to its order dismissing the Preliminary Determination Motion;
20. On December 2, 2015, the Third Appearance was held and Staff and counsel for McKinnon appeared and made submissions;
21. On December 9, 2015, the Commission ordered, among other things, that the hearing on the merits ("Merits Hearing") will commence on Monday, April 11, 2016 and continue on April

12, 13, 14, 15, 18, 20, 21, 22, 25, 26, 27, 28 and 29 and May 2, 2016, each day commencing at 10:00 a.m.;

22. On April 1, 2016, Staff and counsel for McKinnon appeared for a Final Interlocutory Appearance and made submissions;

23. On April 11, 2016, the Merits Hearing commenced and continued on April 12, 13, 14, 15, 18, 20, 21, 22, 25, 26, 27, 28 and 29, 2016 and was scheduled to continue on May 2, 2016;

24. McKinnon consents to the terms of this Order; and

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

**IT IS HEREBY ORDERED** that:

1. The hearing date of May 2, 2016 is vacated; and
2. The Merits Hearing will continue on June 13, 15, 16 and 17, 2016, each day commencing at 10:00 a.m.

**DATED** at Toronto this 2<sup>nd</sup> day of May, 2016

*“Christopher Portner”*

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Christopher Portner

*“Judith Robertson”*

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Judith N. Robertson

*“AnneMarie Ryan”*

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AnneMarie Ryan