



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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Toronto ON M5H 3S8

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20, rue queen ouest  
Toronto ON M5H 3S8

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**FILE NO.:** 2018-60

**IN THE MATTER OF  
K2 & ASSOCIATES INVESTMENT MANAGEMENT INC., SHAWN KIMEL and  
DANIEL GOSSELIN**

D. Grant Vingoe, Vice Chair and Chair of the Panel  
AnneMarie Ryan, Commissioner  
Lawrence P. Haber, Commissioner

October 19, 2018

**ORDER**

(Subsection 127(1) and Section 127.1 of the  
*Securities Act*, RSO 1990, c S.5)

WHEREAS on October 19, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the approval of a settlement agreement dated October 16, 2018 (the **Settlement Agreement**) between K2 & Associates Investment Management Inc., Shawn Kimel, Daniel Gosselin (the **Respondents**) and Staff of the Commission (**Staff**);

ON READING the Statement of Allegations dated October 16, 2018, the Settlement Agreement and on hearing the submissions of the representatives of Staff and the Respondents;

IT IS ORDERED THAT:

1. this Settlement Agreement be approved;
2. K2 shall pay an administrative penalty in the amount of \$400,000, pursuant to paragraph 9 of subsection 127(1) of the Act, 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;
3. Kimel shall pay an administrative penalty in the amount of \$550,000, pursuant to paragraph 9 of subsection 127(1) of the Act, 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;
4. Gosselin shall pay an administrative penalty in the amount of \$20,000, pursuant to paragraph 9 of subsection 127(1) of the Act, 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;
5. Kimel is prohibited from becoming or acting as a chief compliance officer or an ultimate designated person for a period of 10 years from the date of the Order, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

6. Gosselin is prohibited from becoming or acting as a chief compliance officer or an ultimate designated person for a period of 5 years from the date of the Order, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
7. Kimel is prohibited from trading in any securities or derivatives and from acquiring any securities, in a personal or professional capacity, for a period of 9 months, from the date of the Order and shall be required to have all trades pre-approved by the chief compliance officer of K2 for an additional 18 months, pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act;
8. Gosselin is prohibited from trading in any securities or derivatives and from acquiring any securities, in a personal or professional capacity, for a period of 6 months, from the date of the Order and shall be required to have all trades pre-approved by the chief compliance officer of K2 for an additional 12 months, pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act;
9. any exemptions contained in Ontario securities law shall not apply to Kimel for a period of 9 months from the date of the Order, pursuant to paragraph 3 of subsection 127(1) of the Act;
10. any exemptions contained in Ontario securities law shall not apply Gosselin for a period of 6 months from the date of the Order, pursuant to paragraph 3 of subsection 127(1) of the Act;
11. K2 shall submit to a review of its trading practices and procedures, which shall be performed by a third party acceptable to staff, and which shall be completed within 6 months from the date of the Order; pursuant to paragraph 4 of subsection 127(1) of the Act;
12. K2 shall pay costs in the amount of \$30,000, pursuant to section 127.1 of the Act; and
13. notwithstanding any other provision contained in the Order, Kimel and Gosselin are permitted to redeem units of The K2 Principal Fund LP in which they have sole legal and beneficial ownership.

*"D. Grant Vingoe"*

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D. Grant Vingoe

*"AnneMarie Ryan"*

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AnneMarie Ryan

*"Lawrence P. Haber"*

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Lawrence P. Haber