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Citation: Meharchand (Re), 2018 ONSEC 51
Date: 2018-10-19

IN THE MATTER OF
DENNIS L. MEHARCHAND
and VALT.X HOLDINGS INC.

REASONS AND DECISION
(Subsection 127(1) of the *Securities* Act, RSO 1990, c S.5)

Hearing:	May 14, 17, 22, 24, 28 and 31, 2018	
Decision:	October 19, 2018	
Panel:	Timothy Moseley	Vice-Chair and Chair of the Panel
	Deborah Leckman	Commissioner
	Robert Hutchison	Commissioner
Appearances:	Dennis L. Meharchand	For himself and Valt.X Holdings Inc.
	Kate McGrann	For Staff of the Commission

TABLE OF CONTENTS

REASONS AND DECISION

I. OVERVIEW

[1] Staff of the Commission (**Staff**) alleges that from January 2012 to December 2016 (the **Material Time**):

a. Dennis Meharchand and Valt.X Holdings Inc. (**Valt.X Holdings**), of which Mr. Meharchand is the principal and directing mind, illegally distributed securities of Valt.X Holdings, contrary to subsection 53(1) of the *Securities Act* (the **Act**);[1]

b. Mr. Meharchand and Valt.X Holdings (together referred to as the **Respondents**) engaged in the business of trading in securities of Valt.X Holdings without being registered, contrary to subsection 25(1) of the Act; and

c. Mr. Meharchand engaged in fraudulent conduct contrary to clause 126.1(b) of the Act, by making misleading or untrue statements to investors regarding the use of their funds, in that he used a significant portion of investor funds for his personal benefit.

[2] For the reasons set out below, we find that the Respondents breached the Act as alleged above.

[3] Staff also alleges that as an officer or director of Valt.X Holdings, Mr. Meharchand authorized, permitted or acquiesced in the non-compliance of Valt.X Holdings with Ontario securities law, and that he should therefore be deemed also to have not complied with Ontario securities law, pursuant to section 129.2 of the Act. As we explain below, we find that Mr. Meharchand himself was a principal in all of the breaches committed by Valt.X Holdings. Accordingly, the requested finding is unnecessary.

[4] The Respondents were represented by legal counsel at most of the preliminary attendances leading up to the merits hearing. At the merits hearing itself, the Respondents were unrepresented by counsel. Mr. Meharchand appeared as the representative of Valt.X Holdings.

II. BACKGROUND FACTS

A. Valt.X companies and Mr. Meharchand

[5] Valt.X Holdings was established as the parent of, and the source of funds for, Valt.X Technologies Inc. (**Valt.X Technologies**), the operating company that purportedly developed, produced and sold cybersecurity hardware and software products. Valt.X Technologies owned all the patents and intellectual property in those products.

[6] Both Valt.X Holdings and Valt.X Technologies are Ontario corporations. We sometimes refer to them together as **Valt.X** when describing the activities that Mr. Meharchand carried on through the two corporations.

[1] RSO 1990, c S.5.

[7] During the Material Time, Mr. Meharchand was the chief executive officer, secretary, and a director of Valt.X Holdings. He was the president, secretary and a director of Valt.X Technologies. He was the directing mind of both corporations.

[8] None of Valt.X Holdings, Valt.X Technologies or Mr. Meharchand has ever been registered with the Commission.

[9] The Respondents say that Valt.X has been in the cybersecurity business since 2001. Mr. Meharchand testified, and told existing and potential investors, that during the Material Time the Respondents were primarily attempting to commercialize their cybersecurity products.

B. Funds

[10] The Valt.X companies derived virtually all of their funding from investors who bought shares of Valt.X Holdings. Some investors also contributed funds as a loan, or in return for convertible notes, or to participate in a licensing program known as "CrowdBuy", described in more detail below.

[11] Investors were located in both Canada and the United States of America. All dollar amounts referred to in these reasons are in Canadian funds unless otherwise indicated.

[12] Prior to the Material Time, investors had contributed approximately $7 million, according to the Respondents. During the Material Time, investors contributed at least an additional $1.6 million (C$1.5 million and US$140,000), compared to total sales of less than $15,000 during that same four-year period.

[13] During the Material Time, Valt.X Holdings, Valt.X Technologies and Mr. Meharchand used more than ten bank accounts at four different banks, although not all of those accounts were open for the entire period. Mr. Meharchand controlled all the accounts. Mr. Meharchand testified that Valt.X Holdings dealt in cash "a lot"[2] and that the banks he dealt with had closed accounts because of their concern about the volume of cash withdrawals.

[14] Mr. Meharchand also testified that he routinely commingled his own personal funds and those of the Valt.X companies. According to him, any particular incoming funds could have been either personal loans to him, or investments in Valt.X, and we have only Mr. Meharchand's testimony as to whether a particular transaction fell into one category or the other. Mr. Meharchand himself was not always certain.

[15] Mr. Meharchand used the Valt.X Holdings accounts for Valt.X Holdings, for Valt.X Technologies, and for his own personal purposes. He testified that during the Material Time, no accounting was done at all. He agreed that it would be accurate to describe the state of affairs as "a shoe box" of invoices and other information.[3]

[16] A review of transactions in the various accounts reveals significant transfers among the accounts (more than $600,000 during the Material Time) and significant cash transactions (cash deposits of more than $115,000 and cash

[2] Hearing Transcript, May 22, 2018, p 31.
[3] Hearing Transcript, May 17, 2018, pp 92-3.

withdrawals of more than $250,000). Some transfers were to personal credit card accounts and cannot clearly be attributed to business expenses.

[17] Mr. Meharchand testified that he invested his own funds into Valt.X ("I am the main funder of the company and we are constantly throwing money into it"[4]), although the Respondents adduced no other evidence to support his contention. Staff's financial analysis reveals that $191,550 was contributed by Mr. Meharchand's spouse during the Material Time. However, as we explain below, the commingling of funds, the many improper payments, and the absence of records mean that we cannot conclude that funds from his spouse were in fact investments in Valt.X, as opposed to repayment of funds owed, for example.

[18] According to Mr. Meharchand, cash from the accounts was used for, among other things:

a. placing bets on horses at Woodbine Racetrack;

b. paying "black hat hackers", a team of individuals he says were doing development work for him or for Valt.X Technologies;

c. repayment of short-term loans; and

d. payments to noteholders, consultants and others.

[19] In addition to placing bets on horses using cash, Mr. Meharchand also used an online account in the name of Valt.X Holdings to fund off-track betting at Woodbine Racetrack. During the Material Time, that account received more than $450,000, at least $380,000 of which were transfers from the bank accounts referred to above. The online account at Woodbine Racetrack showed a loss of more than $275,000 over the Material Time.

III. PRELIMINARY MATTERS

A. 2015 Temporary Order

1. Issuance and expiry of the order

[20] Before addressing the issues that arise in this proceeding, we refer to an earlier proceeding, in which the Commission issued a temporary order against the Respondents and another individual (the **Temporary Order**),[5] pursuant to subsections 127(1) and 127(5) of the Act. The Temporary Order stated that it appeared to the Commission that, among other things:

a. the named parties (including the Respondents) may have engaged in, or held themselves out as engaging in, the business of trading in securities, without being registered as required, contrary to subsection 25(1) of the Act; and

b. the Respondents may have engaged in an illegal distribution of securities, contrary to subsection 53(1) of the Act.

[21] The Temporary Order provided that trading in securities of Valt.X Holdings was to cease, that trading in any securities by the named parties was to cease, and that the exemptions contained in Ontario securities law were not to apply to them. The Temporary Order was originally to expire on September 26, 2015. The

[4] Hearing Transcript, May 28, 2018, p 23.
[5] *Meharchand (Re),* (2015) 38 OSCB 8055.

Commission extended the Temporary Order twice, but the order ultimately expired on October 15, 2015, following a hearing at which the Commission denied Staff's request for a further extension.[6]

[22] In February 2017, Staff filed a Statement of Allegations against the Respondents and the current proceeding was commenced. This decision and these reasons relate to that enforcement proceeding.

2. Did the Temporary Order proceeding dispose of any issues raised in this proceeding?

[23] The Respondents submit that the allegations of unregistered trading and illegal distribution raised by Staff in this proceeding were "substantially dealt with" in 2015, when the Commission denied Staff's request to extend the Temporary Order.[7] The Respondents submit that Staff's arguments in the Temporary Order proceeding are repeated in this proceeding and should not be reconsidered.

[24] We do not accept that submission. The underlying allegations in the Temporary Order proceeding do overlap with those in the current proceeding, but the relevant time period is different, and the questions to be resolved are not identical. A temporary order under subsection 127(5) of the Act, or an extension of such an order under subsections 127(7) or 127(8), is an extraordinary measure used in some cases to prevent ongoing harm to investors or to the capital markets.

[25] When Staff seeks a temporary order, it is often true, as it was in this case, that the application comes at an early stage of Staff's investigation. In such a situation, the Commission is not required to make conclusive and wide-ranging findings about a respondent's conduct. The Commission merely determines whether it is in the public interest to issue or extend a temporary order.

[26] In considering an application for an extension under subsection 127(8), the Commission may take into account whether "satisfactory information" has been provided by a respondent. In the Commission's decision refusing to extend the Temporary Order against the Respondents, and based on the limited evidence available to the Commission at that time, the Commission held:[8]

> It is clear that Valt.X [Holdings] did not fully comply with Ontario securities law, given its failure to file reports of exempt distribution on time. However, for the reasons set out above, I find that Valt.X [Holdings] and Meharchand have adduced "satisfactory information" and therefore it is not in the public interest to extend the Temporary Order against them.

[27] The allegations in the current proceeding are broader than in the Temporary Order proceeding. For example, Staff now alleges fraud. Staff seeks a final determination about the Respondents' conduct, as opposed to an interim measure designed to protect investors during an ongoing investigation. In refusing to extend the Temporary Order, the Commission did not conclude that the Respondents were compliant with Ontario securities law. Instead, the

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[6] *Meharchand (Re)*, 2015 ONSEC 43, (2015) 38 OSCB 10761 (***Meharchand 2015***).
[7] Respondents' written submissions at para 19.
[8] *Meharchand 2015* at para 64.

Commission concluded that Staff had failed to establish, at that time and based on that evidence, that a temporary order was warranted pending further investigation. Staff then had to determine whether to seek sanctions through an enforcement proceeding. Staff decided to do so, and this proceeding is the result. We therefore reject the Respondents' submission that some of the issues in this proceeding have previously been decided.

B. Standard of proof

[28] The standard of proof in proceedings before the Commission is the civil standard of proof on a balance of probabilities.[9]

[29] The standard of proof for fraud under s. 126.1(1)(b) of the Act is the same as for any other allegation of a breach of Ontario securities law. While an allegation of fraud is very serious, the seriousness of the allegation does not alter the standard of proof. The question we must ask ourselves is whether, based on evidence before us that is sufficiently clear, convincing and cogent, it is more likely than not that the elements of the various allegations (including fraud) have been made out.[10]

C. Extended and missed deadlines

[30] Below, in our analysis of the evidence, we note numerous instances in which the Respondents failed to produce any documents in support of their position, or instances in which the Respondents created documents while the hearing was underway without proper notice to Staff, as required by the Commission's *Practice Guideline*[11] and orders of the Commission made in this proceeding. We make our evidentiary findings in the context of the Respondents' overall conduct during the proceeding, which we summarize here.

[31] Throughout the preliminary steps leading up to the merits hearing, the Respondents had little or no regard for deadlines. They repeatedly asked for extensions of deadlines and typically missed deadlines (original or extended) without communicating with Staff or the Registrar.

1. Witness list, summaries of evidence, and affidavits

[32] For example, rule 27(3) of the Commission's *Rules of Procedure and Forms*[12] and subsection 5(1) of the Commission's *Practice Guideline* require that respondents file and serve a list of witnesses, and serve a summary of each witness's anticipated evidence on Staff, on or before a date set by the Commission. At a preliminary attendance in this proceeding on June 26, 2017, the panel ordered that the Respondents deliver their witness list and summaries by July 21, 2017. The Respondents failed to deliver anything by that deadline.

[33] At the next preliminary attendance on August 21, 2017, by which time the Respondents had still not complied with their obligation, Mr. Meharchand advised that the Respondents had missed the deadline due to difficulties reviewing Staff's disclosure. The panel accepted Mr. Meharchand's proposal that December 1, 2017 be the new deadline, and the panel urged Mr. Meharchand to communicate

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[9] *F.H. v McDougall*, 2008 SCC 53 at para 40 (***McDougall***).
[10] *McDougall* at para 46.
[11] *Ontario Securities Commission Practice Guideline,* (2017) 40 OSCB 9009.
[12] (2017) 40 OSCB 8988.

with Staff and to meet all deadlines. Nonetheless, the December 1, 2017 deadline passed without any materials from the Respondents.

[34] In December 2017, the Respondents had still not complied with their obligation. However, the parties requested that the hearing on the merits be conducted as a written hearing. The Commission declined to order that the hearing proceed in writing, ordering instead that each party adduce its own evidence by way of affidavits.

[35] The requirement for the Respondents to deliver a witness list and witness summaries was therefore replaced by a requirement to deliver affidavit evidence. Mr. Meharchand indicated that he intended to deliver his own affidavit and potentially affidavits from others, a decision he would make upon reviewing Staff's evidence. The Commission ordered a schedule for the exchange of affidavits. The Respondents committed to deliver their affidavit evidence by January 29, 2018, three weeks after Staff was to deliver its affidavits. The Panel inquired whether the Respondents needed more time. Mr. Meharchand said no, assuring the Panel that the affidavits would be delivered as ordered.

[36] Staff delivered its affidavit evidence as required. Shortly thereafter, Mr. Meharchand requested an extension of one month for medical reasons, though he provided no evidence in support of his request. Following submissions from the parties, the Commission granted a two-week extension, giving the Respondents until February 12, 2018, to deliver their affidavit evidence.

[37] After the revised deadline had passed and no affidavits had been delivered by the Respondents, Mr. Meharchand emailed the Registrar to request a one-week extension. No response to that request was given, but another week passed without any evidence from the Respondents. The Panel convened a hearing on February 27, 2018, to address the issue of outstanding materials, among other things. At that attendance, Mr. Meharchand requested a further 90 days to deliver affidavit evidence. He indicated, for the first time, that he would be the only witness to testify in response to Staff's allegations. He also stated his preference to deliver his evidence orally, despite the previous order requiring that evidence be adduced by way of affidavits. After hearing submissions from the parties, and in the interest of ensuring that the hearing proceed without further unnecessary delay, the Commission ordered that Mr. Meharchand be permitted to give oral evidence at the merits hearing, and ordered that he serve his summary of anticipated evidence by April 2, 2018.

[38] On April 2, 2018, Mr. Meharchand advised that he would be seeking a further two-week extension, citing late changes to Staff's affidavit exhibits as the reason. Those changes were inconsequential, but at an attendance on April 9, 2018, and with Staff's consent, the Commission ordered that Mr. Meharchand serve a summary of his anticipated evidence by April 23, 2018.

[39] On April 23, 2018, three weeks before the merits hearing began, Mr. Meharchand provided Staff with a summary of his anticipated evidence.

2. Documentary evidence

[40] The Respondents also delivered documentary evidence well past the deadlines to do so.

[41] On August 22, 2017, the Commission ordered that the parties deliver to each other, by December 1, 2017, copies of the documents that they intended to produce or enter as evidence at the merits hearing. As with the deadlines for witness summaries and affidavits referred to above, the December 1 deadline for documents was extended for the Respondents multiple times. Ultimately, the Respondents provided Staff with only two documents prior to the merits hearing and did not do so until April 23, 2018.

[42] Before the merits hearing commenced, Staff advised the Respondents that it would oppose the introduction of documents not specifically identified as documents the Respondents intended to rely on. Despite that, during the merits hearing the Respondents sought to rely on several documents not previously provided to Staff. In most instances, we allowed the documents to be tendered, subject to our later assessment as to what weight, if any, we should place on them. We address the relevant documents in more detail in our analysis below.

3. Conclusion regarding deadlines

[43] The Commission warned the Respondents on at least one occasion, months before the merits hearing, that a failure to comply with the requirement to deliver a proper summary of anticipated evidence might have serious consequences, including Staff's right to object to the admission of evidence not reflected in the summary. Mr. Meharchand expressly confirmed that he understood. However, the summary of Mr. Meharchand's expected evidence was limited in scope, and it included nowhere near the detail that Staff was entitled to expect.

[44] Throughout this proceeding, the Commission repeatedly exercised its discretion in favour of the Respondents. Among other things, the Commission allowed a mid-stream change in the procedure, by permitting the Respondents to adduce Mr. Meharchand's oral evidence, despite the Respondents' previous commitment to file affidavits, and even after Staff had already complied with its obligation to deliver affidavits.

[45] On several occasions, Mr. Meharchand asserted that he was having medical difficulties that interfered with his ability to comply with his obligations and to prepare for the merits hearing. These assertions were vague and wholly unsubstantiated. They often came only after a deadline had already been missed. We are unable to find, on a balance of probabilities, that these assertions were true. Even if they were, the various extensions of time and changes in procedure fully accommodated the concerns that we heard.

[46] We have taken all the above circumstances into account in our analysis below. We have made our decisions about what weight to place on the Respondents' evidence in the context of our conclusion that the Respondents had a full opportunity to prepare and present their case.

D. Geographical jurisdiction

[47] The Respondents argue that the Act applies only to Ontario residents and, therefore, all allegations relating to investors residing outside of Ontario should be dismissed.

[48] We disagree. The Commission's authority over securities regulation is not limited to the protection of investors who are inside Ontario. The Act allows for the regulation of corporations and individuals within the province in order to protect investors outside the province from unfair, improper or fraudulent activity. The relevant question is not whether investors were located in Ontario but "whether there is a sufficient connection between Ontario and the impugned activities and entities involved to justify regulatory action by the Commission".[13] The Act applies where the circumstances of the misconduct have a "real and substantial connection" to Ontario.[14]

[49] There is a real and substantial connection to Ontario in this case. Valt.X Holdings and Valt.X Technologies are Ontario corporations, and they operated out of Mr. Meharchand's house in Toronto. The Valt.X Holdings share subscription agreements stated that notice to the company should be addressed to Mr. Meharchand's home address. Mr. Meharchand prepared and distributed promotional and other material from Ontario and he deposited investor funds into bank accounts in Ontario.

[50] We find that the Commission has jurisdiction over all the matters alleged by Staff, whether or not some or all of the investors resided outside of Ontario.

E. Hearsay evidence

[51] Some of the evidence admitted in this proceeding was hearsay. The *Statutory Powers Procedure Act*[15] allows the admission of hearsay evidence, whether or not that evidence would be admissible in court, provided the evidence is relevant to the subject matter of the proceeding.

[52] We must determine what weight we should give to admissible hearsay evidence (as we do with all evidence), while taking into account the importance of procedural fairness. We must avoid placing undue weight on uncorroborated evidence and on hearsay evidence that lacks sufficient indicia of reliability.[16] In these reasons, where we have assessed the appropriate weight to give to hearsay evidence, we have considered whether that evidence is corroborated or is consistent with available documentary evidence.

F. Transcripts of compelled evidence

[53] Transcripts of compelled interviews of Mr. Meharchand, conducted during Staff's investigation pursuant to section 13 of the Act, were filed by Staff as appendices to its affidavit evidence. The Respondents argued that the transcripts should not be admitted because the testimony was compelled, and Mr. Meharchand had thought that the purpose of the testimony was only to determine whether enforcement proceedings should be brought, not for use as evidence. In

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[13] *Crowe v Ontario Securities Commission*, 2011 ONSC 6918 (Div Ct) at para 32.
[14] *Ontario (Securities Commission) v DaSilva*, 2017 ONSC 4576 (Sup Ct) at paras 54-57.
[15] RSO 1990, c S.22, s 15(1).
[16] *Sunwide Finance Inc. (Re)*, 2009 ONSEC 20, (2009) 32 OSCB 4671 at para 22, citing *Starson v Swayze*, [2003] 1 SCR 722 at para 115.

response, Staff submitted that exclusion of the transcripts would be unfair and would undermine the efficiency of the hearing.

[54] Transcripts of compelled testimony are a form of hearsay evidence. As the Commission has found in the past, there is no inherent reason why transcripts cannot be admitted.[17] It is for the panel to determine which portions of a transcript may be admitted and what use may be made of the admitted portions. The reliability concerns set out in paragraph [52] above would not apply under these circumstances.

[55] After hearing submissions from the parties at the outset of the merits hearing, we ruled that we would admit into evidence those portions of the transcripts that are cited in Staff's written submissions or in the affidavits filed by Staff, as well as any other portions that were referred to in the course of the hearing, whether for cross-examination purposes or otherwise.

G. Summary of Mr. Meharchand's anticipated evidence

[56] As explained earlier, the Commission's *Rules of Procedure and Forms* and *Practice Guideline* require that prior to a hearing, each party must serve on the other parties a summary of the anticipated evidence of each of the party's witnesses. The summaries, which help the parties prepare for the hearing, are not normally provided to the hearing panel.

[57] In this case, however, Staff asked to tender the summary of Mr. Meharchand's anticipated evidence. We accepted the summary, and marked it as an exhibit, for the following reasons.

[58] Mr. Meharchand was the Respondents' only witness. As he began to testify, Staff expressed the concern that much of his testimony included information that was not reflected in his summary. Following submissions on the point, we decided to accept the summary so that we could use it to determine what prejudice, if any, Staff would suffer if Mr. Meharchand continued to give evidence not reflected in the summary. We marked the summary as an exhibit for that purpose alone. We relied on it to help us determine what weight to give to elements of the Respondents' evidence, but we have not relied on its contents in support of any of our factual findings.

H. Mr. Meharchand's credibility and reliability

[59] Because Mr. Meharchand was the only witness for the Respondents, his credibility, and the reliability of his testimony, are particularly important issues in this proceeding. His testimony conflicted in material respects with Staff's evidence. We must therefore assess his credibility and reliability, to determine what weight we should attach to his testimony.

[60] In conducting that assessment, we are guided by the decision of the Ontario Superior Court of Justice in *Springer v Aird & Berlis LLP*,[18] in which Newbould J. adopted the following words from a British Columbia Court of Appeal decision:

> The most satisfactory judicial test of truth lies in its harmony or lack of harmony with the preponderance of probabilities

[17] See, *e.g.*, *Sextant Capital Management Inc. (Re)*, 2010 ONSEC 25, (2011) 34 OSCB 5829 at paras 8-9, *York Rio Resources Inc. (Re)*, 2011 ONSEC 37, (2012) 35 OSCB 99 at para 76.
[18] 2009 CanLII 15661 (ON SC), (2009) 96 OR (3d) 325 at para 14.

disclosed by the facts and circumstances in the conditions of the particular case.[19]

[61] Our assessment includes consideration of:

a. Mr. Meharchand's capacity to remember, and the accuracy of his statements;

b. the extent to which Mr. Meharchand's evidence is internally consistent, *i.e.*, not self-contradictory; and

c. the extent to which Mr. Meharchand's evidence is consistent with other proven or undisputed facts.[20]

[62] We are mindful of the fact that we need not necessarily come to one overarching conclusion about Mr. Meharchand's credibility and reliability, to be applied to all his testimony. It is open to us to find him to be credible in some respects but not in others. We may conclude that some aspects of his testimony are reliable, but that other aspects are not. We should be cautious about making a general finding based on isolated instances of questionable evidence. Having said that, this caution does not preclude an overall assessment of his credibility and reliability.

[63] In the circumstances of this case, even with that caution in mind, we are highly skeptical of Mr. Meharchand's evidence about any contentious issue. This is especially true where his evidence is uncorroborated, as almost all of it is. Mr. Meharchand's testimony changed in material respects from his sworn evidence in 2016 during the investigation of this matter, to the hearing before us. It also frequently evolved during the hearing itself, especially in response to troublesome issues that Mr. Meharchand was called upon to explain. It was rife with internal inconsistencies. It was directly contradicted by documentary evidence. In some respects, it was simply fanciful.

[64] The instances that give rise to our skepticism are too numerous to catalogue exhaustively. We mention the following examples briefly here, and we address each one in greater detail below:

a. Mr. Meharchand's evidence regarding the origin of funds received by the Respondents changed several times. (See paragraphs [156] to [158] below.)

b. Mr. Meharchand testified at the hearing that a team of "black hat hackers" was doing development work and that he paid them in cash. His evidence was unclear and inconsistent about for whom the black hat hackers were working, and about who paid them. (See paragraphs [152] to [155] below.)

c. With respect to the "CrowdBuy" program, by which participants could purchase Valt.X software licenses at a discount and earn returns through resale of the licences, Mr. Meharchand gave inconsistent answers about the number of participants. (See paragraph [90] below.)

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[19] *R v Pressley*, [1948] BCJ No 63, 94 CCC 29 (BC CA) at para 12.

[20] *North American Financial Group (Re)*, 2013 ONSEC 43, (2013) 36 OSCB 12095 at para 258, citing *CED (Ont 4th)*, Vol. 31, Title 82, at s 126.

d. Mr. Meharchand gave several different explanations as to the fate of the CrowdBuy program. (See paragraph [91] below.)

e. Mr. Meharchand's evidence changed regarding what happened to investor funds received following the Temporary Order. In addition, one such explanation, involving strangers coming to his home and asking for cash under threat of violence, was inherently fanciful, illogical, and unworthy of belief. (See paragraphs [159] to [165] below.)

f. Mr. Meharchand gave inconsistent and illogical evidence about debts, owing from Valt.X to investors, that he claimed were assigned to him. (See paragraphs [169] to [171] below.)

[65] Other examples, which we need not review in detail, bear the same characteristics and lead us to the same conclusion about Mr. Meharchand's reliability as a witness:

a. Mr. Meharchand's evidence changed regarding the use of an online account for betting on horse races.

b. Mr. Meharchand's evidence was not consistent regarding debts (including salary) owing to, and subsequently assigned by, L.A., Valt.X's former senior vice-president of sales and marketing.

c. Mr. Meharchand gave varying evidence about the financial arrangements involving Maxlink Developments, the company run by a co-founder of Valt.X.

[66] The number, breadth and significance of the inconsistencies are compelling reasons for us to disbelieve Mr. Meharchand's uncorroborated evidence.

[67] Our skepticism is compounded by Mr. Meharchand's apparent disregard for the serious obligation to be truthful when testifying under oath. That disregard was illustrated by his testimony during his compelled examination in October 2016, during which he gave numerous undertakings to provide additional information or produce further documents. He fulfilled none of the undertakings.

[68] During the hearing before us, Mr. Meharchand first testified that he had given no undertakings to Staff. He later acknowledged that he had given undertakings, although he said that he had been "under duress" when giving them. Later in his testimony he gave yet a third explanation:

> …I would like to provide an explanation of what the undertakings were… The undertakings were never really me agreeing to things… We wound up in a situation where we had an antagonistic relationship with the people involved from Staff… And so essentially when I said to them in the meetings, for the most part, when I said things like, "yeah, sure," it was actually said very sarcastically. In fact, what I was telling them is "fuck you, fuck off." And so I never provided anything for them. You can take all the undertakings to mean that.[21]

[21] Hearing Transcript, May 28, 2018, p 139.

[69] This most recent evidence is inconsistent with Mr. Meharchand's remarks at the time. During the 2016 examination, Mr. Meharchand often asked, politely, for clarification as to what information he was required to provide, or he negotiated the scope of a particular undertaking (*e.g.*, whether he would have to copy numerous documents or could provide originals to Staff so they could copy them). At one point, Mr. Meharchand stated, "I am writing things down here, but for the undertakings, I would appreciate it if you could send me a list."[22]

[70] If, from among Mr. Meharchand's various characterizations of the undertakings, we were to accept his most recent description, it would demonstrate his disregard for the oath he swore. However, we do not accept that characterization. Instead, we see his most recent testimony as one more example of Mr. Meharchand's willingness to say whatever he thinks will serve his interests at the time.

[71] For all of these reasons, we conclude that where Mr. Meharchand's testimony conflicts with other evidence, or is uncorroborated and self-serving, it is unreliable.

IV. ANALYSIS

A. Introduction

[72] Staff's allegations present the following primary issues:

a. Did the Respondents illegally distribute securities of Valt.X Holdings?

b. Did the Respondents engage in the business of trading in securities, without being registered?

c. Did Mr. Meharchand commit fraud?

[73] Staff adduced its evidence by way of two affidavits, each of which attached multiple documents. Mr. Meharchand cross-examined both witnesses at the hearing, but in doing so did not undermine their evidence in any consequential respect. We found no reason not to accept Staff's evidence as presented.

[74] We begin with our analysis of Staff's allegation that the Respondents illegally distributed securities of Valt.X Holdings.

B. Did the Respondents illegally distribute securities of Valt.X Holdings?

1. Introduction

[75] Subsection 53(1) of the Act prohibits a person or company from trading in a security if the trade would be "a distribution of the security", unless a prospectus has been filed or an exemption is available. The requirement to file a prospectus is a cornerstone of Ontario securities law.[23] A prospectus is fundamental to investor protection because it ensures that investors have full, true and plain disclosure of the information needed for them to properly assess the risks of an investment and to make an informed investment decision.

[22] Examination Transcript, October 12, 2016, p 122.
[23] *Jones v FH Deacon Hodgson Inc,* 1986 CanLII 2559 (ON SC), (1986) 9 OSCB 5579 at para 10.

[76] Staff alleges that during the Material Time, the Respondents distributed three different securities without filing a prospectus and without an available exemption:

a. common shares of Valt.X Holdings;

b. convertible notes; and

c. investment in the CrowdBuy program.

[77] An analysis of the transactions in the various bank accounts identified above, taken together with records that Valt.X Holdings filed with the Commission, establishes that during the Material Time, the company raised at least C$1.5 million and US$140,000 from more than 100 investors. Due to the complete lack of accounting records, it is impossible to be precise about the total amount raised.

[78] The Respondents admit that they sold shares of Valt.X Holdings, that they issued convertible notes, and that they offered opportunities to invest in the CrowdBuy program. The Respondents do not dispute that these were securities or that they did not file a prospectus. They claim that they were entitled to rely on an exemption from the prospectus requirement.

[79] We consider the claimed exemption below. We first deal with each of the three different securities in turn.

2. Common shares of Valt.X Holdings

[80] The Respondents sold common shares of Valt.X Holdings using a twenty-page subscription agreement.

[81] Valt.X Holdings offered its common shares at $1.00 per share but typically issued them to investors at prices between $0.10 and $0.50 per share. Valt.X Holdings issued its shares on average four times per month and issued an additional 3,689,326 shares to investors who converted previously issued convertible notes into shares.

[82] The Respondents' trades of the Valt.X Holdings common shares were "distributions" as defined in subsection 1(1) of the Act, since the shares had not previously been issued. Because the Respondents did not file a prospectus, each trade was therefore a breach of subsection 53(1) of the Act unless the Respondents could properly rely on an exemption.

3. Conversion of existing loans to convertible notes

[83] Prior to the Material Time, Valt.X Holdings issued promissory notes to approximately seven or eight investors. Mr. Meharchand testified that while there may still be some promissory notes outstanding, most investors exchanged their promissory notes for convertible notes, either before or during the Material Time. The conversion ratio ranged between $0.19 and $1.00 per share. If an investor elected not to convert, the notes paid an annual 15% interest rate.

[84] With respect to those investors who did elect to convert their notes into shares during the Material Time, Valt.X Holdings filed reports suggesting that the conversions yielded $1.4 million. However, Mr. Meharchand explained that those were the funds initially provided by the investors when they loaned the money to Valt.X, as early as 2005. Investors were not required to provide additional funds

on conversion, so no additional funds were raised during the Material Time from these transactions.

[85] In addition, Valt.X Holdings issued convertible notes during the Material Time. As noted above, the Respondents do not dispute that the convertible notes were securities[24] or that they filed no prospectus.

[86] We find that each issuance of common shares on conversion was a distribution of those shares, and that each issuance of a convertible note was a distribution of the note. All of these transactions would therefore be in breach of subsection 53(1) of the Act unless an exemption was available.

4. CrowdBuy program

[87] Beginning in early 2016, in response to the Temporary Order, the Respondents initiated their CrowdBuy program. The Respondents solicited participants in the program via the Valt.X website and through emails. The Respondents claimed participants could purchase Valt.X software licenses at a discount and, through the resale of those licenses, could earn guaranteed returns of 20-50% in the first year. Participants could either sell the licenses themselves or use sales agents hired by Valt.X. Participants could subscribe online using a credit card or PayPal. A video accessible on Valt.X's website stated that anyone could participate for a minimum of $500.

[88] Participants were offered the option to convert their CrowdBuy subscriptions into Valt.X Holdings common shares. There was no mention that investors would have to qualify as accredited investors.

[89] Mr. Meharchand made exaggerated statements regarding the program's progress and success. In February 2016, he stated that Valt.X was in the process of hiring 50 full-time sales representatives and 50 support technicians. In March 2016, Mr. Meharchand emailed an investor stating, "initial reactions (are) that the Valt.X CrowdBuy Program will be a success." In an email to investors dated August 2016, he referred to a "Send Your House to Work Program", which was an invitation to investors to borrow against their homes to invest. Mr. Meharchand stated he was participating for $500,000 personally and referred to the "other 50 potential participants".

[90] The program attracted little interest, although Mr. Meharchand's evidence varied with respect to the number of subscriptions sold. During his 2016 examination, he testified that only his daughter's friend participated, by investing $10,000 in cash. At the merits hearing, Mr. Meharchand initially confirmed that there had been only the one participant and that her subscription had later been converted to a loan that was repaid. Later in the hearing, when shown an email he had written to an investor, referring to the "first CrowdBuy participants", he changed his evidence to advise that his son had also been a participant. He produced no evidence to corroborate that claim. He stated that both subscriptions were later cancelled.

[91] Mr. Meharchand's evidence as to what happened to the program changed during the merits hearing. He initially testified that he withdrew the program after he received legal advice that it likely involved an investment contract, and that it was therefore a security. He later said that he withdrew the program, "redefined"

[24] Clause (e) of the definition of "security" in subsection 1(1) of the Act.

it, and transferred it to a related U.S. company, and that he has accepted "deals" under the "redefined" program.

[92] In our view, the Respondents properly conceded that participation in the CrowdBuy program constituted a "security" under the Act, by virtue of being an "investment contract".[25] The Commission has repeatedly applied the direction of the Supreme Court of Canada that an investment contract involves an investment of funds with a view to profit, in a common enterprise, where the profit is to be derived largely from the efforts of the person or entity that controls the enterprise.[26]

[93] In this case, the CrowdBuy program contemplated that investors would provide funds to the Respondents, who were to hire sales agents to re-sell software licenses to third parties. The investors were passive and dependent on the Respondents to generate profits resulting from the sale of the licenses. As the Respondents admit, the program therefore meets all the necessary criteria of an investment contract. Every issuance of an opportunity to participate in the program was a distribution and would be a breach of subsection 53(1) of the Act, absent an exemption.

5. Accredited investor exemption

[94] Having determined that the Respondents effected distributions of common shares, convertible notes, and CrowdBuy program participation, all without a prospectus, we now consider whether the Respondents are entitled to rely on an exemption from the prospectus requirement.

[95] The burden of establishing entitlement to an exemption lies on the party claiming the benefit of that exemption.[27]

[96] Numerous exemptions to the prospectus requirement are potentially available under Ontario securities law. The Respondents refer only to one. They submit that they are entitled to rely on subsection 73.3(2) of the Act, which provides that the prospectus requirement does not apply to a distribution where the purchaser purchases the security as principal and is an "accredited investor". In the context of this proceeding, "accredited investor" is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**). The term includes, among others:

a. an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $1,000,000;[28] and

b. an individual whose net income before taxes exceeded $200,000 in each of the two most recent calendar years, or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the two most recent calendar years, and who reasonably expects to exceed that net income level in the current calendar year.[29]

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[25] Clause (n) of the definition of "security" in subsection 1(1) of the Act.
[26] *Pacific Coast Coin Exchange of Canada Ltd v Ontario (Securities Commission)*, [1978] 2 SCR 112 at 128-30.
[27] *Lydia Diamond Exploration of Canada Ltd. (Re)* (2003), 26 OSCB 2511 at para 83.
[28] Clause (j) of the definition of "accredited investor".
[29] Clause (k) of the definition of "accredited investor".

[97] The share subscription agreement used by Valt.X Holdings included, as an appendix, an accredited investor certification. In at least some cases, the investor appears to have certified that she/he qualified as an accredited investor. Check marks appear on the forms, indicating which component of the exemption (*e.g.*, assets or income) applies to the investor.

[98] The evidence is not clear, however, that the writing on all the forms was actually placed there by, or with the knowledge or understanding of, the particular investor. Mr. Meharchand had little interaction with investors – he distributed subscription agreements, but he rarely met or communicated with investors before they made their investments. Not surprisingly, a number of investors told Staff that they misunderstood the requirements and that they therefore incorrectly certified their status as accredited investors. In fact, of the nine investors contacted by Staff, none met the test for the accredited investor exemption.

[99] While Staff's evidence about what the investors reported is hearsay, we have no reason to doubt its accuracy or reliability. The Respondents did not adduce any evidence to contradict that of Staff. We accept Staff's evidence as presented.

[100] In late 2015, Valt.X Holdings filed sixteen Form 45-106F1 Reports of Exempt Distribution with the Commission. These filings represented that 160 distributions of Valt.X Holdings securities to approximately 100 individuals and companies between February 2012 and August 2015 qualified under the accredited investor exemption.

[101] A seller of securities who seeks to rely on the accredited investor exemption cannot simply accept, without discussion, an investor's self-certification that the investor falls within the definition. The seller must explain the exemption to the purchaser, and through reasonable diligence must determine facts upon which the seller can conclude that the purchaser qualifies as an accredited investor and that the exemption is available.[30]

[102] Mr. Meharchand undertook no such inquiry. As he admitted in his 2016 examination, "As long as the things came in and they were signed, we accepted them. I did not do any due diligence beyond that."[31] The Respondents therefore fully relied on the investors' self-certification as to their accredited investor status. In the Respondents' submission, that is all they were required to do. For the reasons explained above, we reject that submission.

[103] Before leaving our analysis of the Respondents' purported reliance on the accredited investor exemption, we note the Respondents' submission that Staff relies on versions of NI 45-106 and/or its Companion Policy that were not in force throughout the Material Time. Some of the revisions to the Companion Policy do address the obligations borne by a seller of securities who relies on a prospectus exemption.

[104] In our view, however, those revisions merely explain rather than change a seller's obligations. We do not rely on the Companion Policy in reaching any of the findings in this decision. We need not so rely, because, as we have noted

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[30] *MRS Sciences Inc. (Re)*, 2011 ONSEC 5, (2011) 34 OSCB 1547 at para 189; *Goldpoint Resources Corp. (Re)*, 2011 ONSEC 12, (2011) 34 OSCB 5478 at para 100.

[31] Examination Transcript, October 12, 2016, p 84.

above, Commission decisions dating back before the beginning of the Material Time make clear what a seller's obligations are in connection with an exemption from the prospectus requirement.

[105] We conclude that the Respondents distributed securities of Valt.X Holdings without a prospectus and without an available exemption. In doing so, they breached subsection 53(1) of the Act.

C. Did the Respondents engage in the business of trading in securities, without being registered?

[106] Having confirmed that the Valt.X Holdings common shares, the convertible notes, and participation in the CrowdBuy program all constituted securities, we turn to our consideration of whether the Respondents breached subsection 25(1) of the Act, which prohibits a person or company from "engaging in the business of trading in securities", or from holding themselves out as doing so, unless the person or company is properly registered or is exempt under Ontario securities law.

[107] Like the prospectus requirement, registration is also a cornerstone of Ontario securities law. The registration regime protects investors and promotes confidence in Ontario's capital markets by seeking to ensure that anyone who is in the business of selling or promoting securities meets the necessary standards of proficiency, solvency and integrity, among others.[32] The requirement also affords the Commission and self-regulatory organizations the necessary opportunity to monitor registrants' conduct and to act where appropriate in order to achieve the purposes of the Act.[33]

[108] As noted above, neither Respondent has ever been registered. The Respondents did not suggest that they were entitled to an exemption from the prohibition in subsection 25(1) of the Act, and there is no evidence that they purported to rely on an exemption. We therefore need consider only whether they engaged in the business of trading in securities or held themselves out as doing so.

[109] The Commission has adopted Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**31-103CP**), which, among other things, sets out criteria to be considered in determining whether a person or company is engaged in a business when trading or advising in securities.[34]

[110] The Respondents submit that Staff relies on a version of 31-103CP that post-dates some of the impugned conduct. We note that 31-103CP is not part of Ontario securities law, and we agree with Staff's submission that the amendments to 31-103CP did not create any new requirements. While our conclusions in this matter are consistent with the guidance set out in 31-103CP, we do not rely on that instrument as the foundation for our findings.

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[32] *Gregory & Co. Inc. v Quebec (Securities Commission)*, [1961] SCR 584 at 588, 1961 CanLII 75; clause 27(2)(a) of the Act.

[33] *Limelight Entertainment Inc (Re)*, 2008 ONSEC 4, (2008) 31 OSCB 1727 at para 135; *Momentas Corporation (Re)*, 2006 ONSEC 15, (2006) 29 OSCB 7408 at para 46.

[34] *Moncasa Capital Corp. (Re)*, 2013 ONSEC 20, (2013) 36 OSCB 5320 at para 40; *Rezwealth Financial Services Inc. (Re)*, 2013 ONSEC 28, (2013) 36 OSCB 7446 at para 211.

[111] The "business purpose" test in section 1.3 of 31-103CP includes the following factors, which we adopt:

a. directly or indirectly carrying on the activity with repetition, regularity or continuity;

b. directly or indirectly soliciting, including contacting anyone by any means to solicit securities transactions; and

c. receiving, or expecting to receive, compensation for carrying on the trading.

[112] All three criteria are satisfied in this case.

[113] Using various means of communication during the Material Time, the Respondents repeatedly solicited members of the public to invest in Valt.X Holdings. Those efforts included the following:

a. maintaining a publicly accessible website containing promotional materials regarding investment opportunities, and providing a mechanism by which investors could pay for their shares of Valt.X Holdings after submitting subscription documents;

b. maintaining an online presence on other platforms, in which Mr. Meharchand indicated that he was hoping to connect with potential investors, since Valt.X Holdings was seeking to raise capital;

c. attending, among other things, trade shows, conferences (including of anesthesiologists, whom Mr. Meharchand regarded as likely accredited investors), a real estate investment training event, and meetings of a not-for-profit inventors' co-operative and of an investment group;

d. distributing (through email, the Valt.X website, and in-person contact) materials that solicited investment in Valt.X Holdings by making exaggerated claims such as "huge market opportunity," "opportunity to earn 100x principal," "double your money in one year or less," and "returns up to 50% in 1 year";

e. actively encouraging existing investors to refer new investors and offering compensation to those who were successful in doing so; and

f. engaging consultants to make introductions to large institutional investors.

[114] By carrying out those activities, and by providing and accepting subscription agreements, issuing share certificates, and accepting investor funds for the purchase of securities, the Respondents regularly and continuously engaged in "trading", as that term is defined in subsection 1(1) of the Act.

[115] As the Commission has previously held, we "must determine whether the activities in this case cross the line between permissible solicitation and the business of trading."[35] 31-103CP provides, and we agree, that if the subject trading is incidental to a firm's primary business, it may not constitute the business of trading. However, in this case, we find that during the Material Time,

[35] *Blue Gold Holdings (Re)*, 2016 ONSEC 24, (2016) 39 OSCB 6947 at para 20 (***Blue Gold***).

the primary business, and virtually the entire business, of Valt.X Holdings was to trade its securities.

[116] Whatever Mr. Meharchand's original intentions may have been for the Valt.X companies, by the beginning of the Material Time (about ten years after the inception of the business), and throughout the Material Time, investors were the only real source of funds. The fact that sales revenue over the five-year period was less than $15,000, in contrast to the more than $1.6 million raised from investors, is compelling evidence to that effect.

[117] We conclude that whatever legitimate cybersecurity business might have existed well before the Material Time did not meaningfully persist. During the Material Time, the Respondents were primarily engaged in the business of trading securities and therefore contravened subsection 25(1) of the Act.[36]

D. Did Mr. Meharchand commit fraud?

1. Introduction

[118] We turn now to Staff's third principal allegation. Staff alleges that during the Material Time, Mr. Meharchand engaged in or participated in acts, practices, or courses of conduct relating to securities that he knew perpetrated a fraud on existing and potential investors in Valt.X Holdings, contrary to clause 126.1(1)(b) of the Act.

[119] It is well established that the elements of fraud under the Act are:

a. the *actus reus*, or objective element, which must consist of:

   i. an act of deceit, falsehood, or some other fraudulent means; and

   ii. deprivation caused by that act; and

b. the *mens rea*, or subjective element, which must consist of:

   i. subjective knowledge of the act referred to above; and

   ii. subjective knowledge that the act could have as a consequence the deprivation of another.[37]

2. *Actus reus*, or objective element

[120] Clause 126.1(1)(b) of the Act prohibits acts "of deceit, a falsehood or some other fraudulent means".[38] An act is of deceit or is a falsehood if the person who committed it "as a matter of fact, represented that a situation was of a certain character, when, in reality it was not." The third category, "other fraudulent means", includes acts that a reasonable person would consider to be dishonest, such as "the use of corporate funds for personal purposes, non-disclosure of important facts… [and] unauthorized diversion of funds."[39]

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[36] *Blue Gold* at paras 21-22.
[37] *R v Théroux*, [1993] 2 SCR 5 at 21 (***Théroux***), cited in *Richvale Resource Corp (Re)*, 2012 ONSEC 13, (2012) 35 OSCB 4286 at para 102.
[38] *Théroux* at 21.
[39] *Théroux* at 15.

[121] The second component of the *actus reus*, deprivation, is satisfied on proof of actual loss to one or more investors, actual prejudice to investors' economic interests, or even the risk of prejudice to those interests.[40]

3. *Mens rea*, or subjective element

[122] In order to establish the necessary subjective element for a finding under clause 126.1(1)(b) of the Act, Staff must show that the person who has allegedly committed the offence "knows or ought reasonably to know" that the conduct involved perpetrates a fraud. As the Supreme Court of Canada has held, the "accused must have subjective awareness, at the very least, that his or her conduct will put the property or economic expectations at risk."[41]

[123] The Court further stated that "where the accused tells a lie knowing others will act on it and thereby puts their property at risk, the inference of subjective knowledge that the property of another would be put at risk is clear."[42]

[124] It is no answer for a person accused of fraud to maintain that she or he did not think the acts were wrong, or that she or he hoped that no deprivation would occur.[43]

4. Analysis of the fraud allegation

(a) Introduction

[125] We must determine the following issues:

a. Did Mr. Meharchand's actions with respect to existing or potential investors in Valt.X Holdings constitute prohibited acts of deceit, falsehood or other fraudulent means?

b. If so, did those actions result in deprivation to existing or potential investors by causing them actual loss or by placing their pecuniary interests at risk?

c. If the first two questions are answered affirmatively, did Mr. Meharchand have the required subjective knowledge of the prohibited acts?

d. If so, did Mr. Meharchand's subjective knowledge include the actual or possible consequence of deprivation to existing or potential investors?

[126] With respect to the acts that are the subject of Staff's allegations, we find that there is no basis whatsoever to distinguish between acts of Valt.X Holdings and acts of Mr. Meharchand. All of the evidence established that the two Respondents were, as a practical matter, one and the same, even to the extent of the commingling of funds. Further, there is no credible evidence that any activities of Valt.X Holdings were carried out by anyone other than Mr. Meharchand. He was the sole directing mind of the company.

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[40] *Théroux* at 15-16.
[41] *Théroux* at 26.
[42] *Théroux* at 26.
[43] *R v Drabinsky*, [2009] 242 CCC (3d) 449 (ON SC) at para 473.

(b) Did Mr. Meharchand's actions with respect to existing or potential investors in Valt.X Holdings constitute prohibited acts of deceit, falsehood or other fraudulent means?

i. Introduction

[127] Staff's allegations focus on Mr. Meharchand soliciting and accepting funds, purportedly for use by Valt.X Holdings in its operations. Mr. Meharchand, or individuals at his direction, used four main methods of solicitation: (i) direct solicitations by him, (ii) referrals from existing investors, (iii) individuals engaged and compensated for referring potential investors, and (iv) materials and communications available to investors online.

[128] Once the Respondents received solicited funds, those funds were typically used for purposes different from those Mr. Meharchand described in his testimony as "legitimate" corporate uses. In considering whether Mr. Meharchand's acts constituted prohibited acts under clause 126.1(1)(b) of the Act, we pay particular attention to:

a. the nature and content of Mr. Meharchand's statements about the investments, including whether those statements were truthful; and

b. the actual use to which accepted funds were put.

ii. Mr. Meharchand's statements

[129] Regardless of the form of solicitation adopted by Mr. Meharchand or the nature of the investment offered, the predominant, if not sole, message of his statements was that the funds received would be used in various aspects of Valt.X's operations. These included the acquisition of patents, research and development, product manufacturing, additional staff and business opportunities associated with the commercialization of its cybersecurity products. We received extensive evidence about these many statements, which Mr. Meharchand made frequently and to many audiences.

[130] Staff alleges that Mr. Meharchand's statements were untrue and misleading in the sense that the Valt.X companies did not carry on any real commercial business, and the statements were exaggerated.

[131] As explained above, the evidence was consistent with Staff's position regarding the Valt.X companies' activities. Staff's thorough review of the transactions in the various bank accounts reveals little that suggests any real commercial activity.

[132] The following examples are numerous, but illustrate the frequency and extent of the statements:

a. A presentation deck posted on the Valt.X website and provided to investors stated that the use of a $10 million capital raise would include "strengthening business development, support and R&D teams, marketing investment to increase sales, expand operations and delivery resourcing, expand training and customer support, and software licensing and incremental server infrastructure leases."

b. An executive summary posted on the Valt.X website and provided to investors stated that funds would be used to "facilitate launch of Valt.X

Absolute Security for Windows to generate $3.75 million in launch revenue, $100,000 Internet Sales Licensing Servers and Infrastructure, $900,000 Sales, Marketing, R&D and General Working Capital."

c. An email update sent to investors in April 2012 stated: "Current Investment Opportunity: We are looking to place up to $ 1.5 million in Shares or Convertible Notes - First Security available. If interested in acquiring more shares or participating in Convertible Notes let me know. Use of Funds: A portion of the funds will be used to payout [*sic*] current Debt/Noteholders. Additional uses are: Valt.X Cyber Secure Notebook Production, R&D Notebook S Chip conversion kit being developed and general working capital."

d. An email update sent to investors in February 2013 stated: "I am looking to place a funding amount of $550K to $1 million as a bridge to a future round of $3M+ (planned $10M). We are offering 12% Annual Interest, Convertible at 20% Discount to the next funding round with first security - effectively a 50% upside to next round. Primary use of funds is to bring in a sales team to recruit Value Added Resellers and approach Education Sector and Government accounts."

e. An email update sent to investors in June 2013 stated: "It is imperative that we continue to get support from current investors in the short term to upkeep our Patent Portfolio and R&D team. The Company is in the process of placing a $1 -2 million round with the first $1 million expected to close in 60-90 days ... Share price is $0.50 per Share – Acquisition goal $20+ - IPO Goal $ 10 minimum - $80-100 possible."

f. An email update sent to investors in March 2014 stated: "I am requesting that all current investors participate in the round for whatever they can. The placement will be Shares at $0.50 per share… Use of funds is as follows: A) Sales and Marketing Staff - $250K B) Complete development of in-Development products - $250K."

g. An email sent to investors in April 2014 stated: "On the funding side we could use another $100K to produce more Valt.X Cyber Secure Notebook samples and samples of the Valt.X Cyber Secure Solid State Drives…".

h. An email update sent to investors in August 2014 stated: "I am looking to place up to $100K - short term 2-3 month loan or equity to cover business development activity - shows and Lobby groups. Can do 15% annual interest."

i. An email update sent to investors in August 2014 stated: "Valt.X is looking to place $100,000 in Interim Funding to cover additional urgent R&D and Business Development expenses in the short term."

j. An email update sent to investors in October 2015 stated: "Valt.X is in urgent need of funding to cover expenses - including Patent maintenance, legal, accounting expenses, R&D and evaluation products and systems…"

[133] Staff's evidence, by itself, would lead to the conclusion that it is more likely than not that the Valt.X companies were not carrying on a meaningful cybersecurity business, and that the representations set out above with respect to the companies' activities were false. Mr. Meharchand had every opportunity to

produce records to displace that inference; indeed, he frequently promised to do so (*e.g.*, he said he would produce 2011 financial statements that had been professionally prepared). He produced no such records.

[134] Mr. Meharchand also had every opportunity to call witnesses to support his position. He chose not to. Absent any cogent evidence to contradict Staff's position, we reach the conclusions contemplated in paragraph [133] above.

[135] Having said that, even if Valt.X was carrying on a legitimate cybersecurity business throughout the Material Time, we must consider whether the statements were misleading and untruthful in that they failed to describe the actual use of the majority of the funds collected from investors.

[136] In responding to the allegations that his statements were fraudulent, Mr. Meharchand submits that, in effect, investors were told all they needed to know, and that various payees were merely being paid what they were owed. We will review some of these payments in more detail below, but bank records show many significant payments with respect to which investors had no information. These included withdrawals of money for betting on horses, cash transactions for which no record was kept, the satisfaction of alleged debts to Mr. Meharchand, and other payments to him in priority to other Valt.X debt or expenses. While some of the above-cited statements to investors referred to the repayment of debt or other obligations of the business (*e.g.*, paragraph [132](c)), such disclosure was vague and intermittent. It would not satisfy by any measure what an investor could reasonably expect to receive and understand.

[137] The following examples illustrate the solicitation that Mr. Meharchand undertook, and the manner in which he communicated to existing and potential investors.

[138] Mr. Meharchand actively solicited investors, including by attending the various events referred to in paragraph [113](c) above. Some of the events may have had as their primary purpose the exchange of technical knowledge. However, according to attendees, Mr. Meharchand used some of the meetings to aggressively promote investments in Valt.X Holdings. In each of these venues, Mr. Meharchand disseminated the above-described information about Valt.X's supposed business activities, through PowerPoint presentations, videos and/or reference to the Valt.X website.

[139] In addition, Mr. Meharchand sought referrals both by requests made to specific investors and by general communications to all investors, referring to the need for funds. For example, two investors in Saskatchewan (G.K. and G.H.) were solicited in this manner by two existing shareholders (I.M. and D.H.). The investors expected that the funds would be used solely for Valt.X's business and not by Mr. Meharchand personally or for any other purpose. At least one of the recruited investors had done some research via Valt.X's website and reviewed some of the materials made available to investors and the public from time to time.

[140] Mr. Meharchand made extensive use of email, Valt.X's website, and social media to solicit investors. While the modes, platforms and content varied over time, there was usually a link to information about Valt.X's investment programs. We saw no mention of the possibility that funds would be used for purposes unrelated to Valt.X's business.

iii. Use of funds

[141] With respect to the use of investor funds, Staff's evidence described in detail and categorized the transactions that occurred in the various bank accounts, as well as in some related credit card accounts in the name of Mr. Meharchand and his family. Even though Staff's analysis was thorough and coherent, we are challenged in our ability to form a clear and complete picture of the flow of funds during the Material Time, because of the Respondents' failure to keep records or to engage even rudimentary bookkeeping assistance.

[142] Just three weeks before the merits hearing began, when the Respondents delivered to Staff the summary of Mr. Meharchand's anticipated evidence, the Respondents included with that summary an Excel worksheet that purported to show, at a high level, the Respondents' version of the sources and uses of funds. No supporting documentation was included.

[143] The Respondents produced a revised version of the worksheet at the beginning of the merits hearing, and made further revisions as the hearing progressed. The assertions contained in the financial summary continued to be unsupported by documentary evidence. Further, the high-level nature of the summary, and the Respondents' failure to deliver it in a timely way, denied Staff a proper opportunity to challenge it. For these reasons, either of which is sufficient by itself, we attach no weight to the different versions of the summary.

[144] We also reject Mr. Meharchand's testimony about what he described as "legitimate expenses" that Valt.X incurred. He began by taking Staff's analysis, and then for each line item that summarized expenditures (*e.g.*, $736,077 "paid to companies") he specified a percentage that he said was legitimately attributable to Valt.X (100%, in the case of "paid to companies"). Once again, he produced no original or source documentation to corroborate these claims. He generated an additional worksheet, adduced only at the hearing itself, that listed various transactions along with payee names.

[145] In his testimony, he explained the reason for the payments. For example, he identified approximately $175,000 in payments as being completely or partially attributable to an entity he described as being patent attorneys in Taiwan. He produced no retainer letter, invoices, emails, correspondence, or patent documentation to substantiate that assertion. Further, his failure to comply with his pre-hearing obligations denied Staff any proper opportunity to challenge the testimony. Once again, either reason alone is sufficient for us to reject his testimony in this regard.

[146] Mr. Meharchand's primary purpose in establishing these payments is to show that at all times, Valt.X Holdings owed him substantial amounts of money and that virtually all of the expenditures were legitimately on behalf of the company. According to the last version of his financial summary, tendered at the merits hearing, legitimate expenses during the Material Time totaled more than $2.5 million.

[147] In addition to that amount, Mr. Meharchand claims entitlement to salary of "up to" $20,000 per month, but in respect of which he "never [took] a cent",[44] resulting in an additional debt of $1.2 million from Valt.X to him in respect of the

[44] Hearing Transcript, May 22, 2018, p 73.

Material Time. Again, we have neither documentary evidence nor any other form of corroboration to support this claim. Indeed, Mr. Meharchand himself testified that investors "deserve to be paid first before we get paid."[45] The investors have not been paid. We therefore cannot accept Mr. Meharchand's contention that Valt.X Holdings owes him $1.2 million in compensation. In any event, given Mr. Meharchand's assertion that he has never actually taken any salary, this claimed entitlement has no effect on any analysis of the cash flow, including the payments out of the various bank accounts.

[148] We therefore return to Staff's analysis, which disclosed numerous recurring payments or credits. Mr. Meharchand explained some of these as follows:

a. mortgage payments on the home in which Mr. Meharchand and his wife lived, explained in more detail at paragraph [168] below;

b. satisfaction of indebtedness to Mr. Meharchand personally as a result of his acceptance of the assignment of debts owed by Valt.X Holdings to certain third parties; and

c. payments relating to betting on horses by Mr. Meharchand and by third parties who used Mr. Meharchand's access to an online account with Woodbine Racetrack.

[149] Staff alleges these to be improper payments that resulted in deprivation to investors.

[150] There may have been other significant payments that were made from investor funds, in cash, that have no reasonable connection to Valt.X's business. Once again, we are prevented from having a clear picture of these cash payments by the complete absence of any records to support them. Our uncertainty is aggravated by the Respondents' failure to comply with their pre-hearing disclosure obligations, and especially by Mr. Meharchand's propensity to offer varying and contradictory explanations for certain events.

[151] This propensity is best illustrated by two examples. The first relates to the black hat hackers. The second relates to funds received after the issuance of the Temporary Order in the fall of 2015.

[152] In his October 2016 examination, Mr. Meharchand made no mention of the black hat hackers. He introduced the topic during his testimony at the merits hearing, without having previously disclosed the idea through documents or the summary of his anticipated evidence. At the merits hearing, he testified that he formed "a new development team" in early 2013 but "they don't get on the books. They get paid in cash for the work that they do…".[46]

[153] While he stated that "I am not claiming their work" on the financial summary that he produced,[47] he later stated that Valt.X Holdings was paying money to him "over a period of time" because of his "need for use of funds [for] black hat development teams that I needed to fund."[48] He also stated that "We needed to

[45] Hearing Transcript, May 22, 2018, p 73.
[46] Hearing Transcript, May 22, 2018, p 59.
[47] Hearing Transcript, May 22, 2018, pp 59-60.
[48] Hearing Transcript, May 22, 2018, p 81.

generate cash no matter how the money came into the company because we were dealing with a hacking team."[49] [emphasis added]

[154] Mr. Meharchand explained that he was not attributing the cost of the black hat hackers to Valt.X Holdings because "the technology belongs to me and I am going to put it… into my U.S. company."[50]

[155] Mr. Meharchand produced no records of any kind that would corroborate the existence of the black hat hackers or that would shed any light on the nature of their relationship with Mr. Meharchand or Valt.X Holdings. His oral evidence on the point came late in the proceeding, and was confusing and contradictory.

[156] The second example relates to funds that Mr. Meharchand or Valt.X Holdings received after the issuance of the Temporary Order. Mr. Meharchand testified that he placed a hold on accepting new investments until resolution of matters before the Commission, that he had therefore declined nine investors' attempts to invest, and that he had placed their funds "in limbo".

[157] Staff's analysis shows the funds coming into a Valt.X Holdings bank account, and some of the funds then being disbursed to his account at Woodbine Racetrack. Mr. Meharchand later conceded that he may have been wrong when he said that all of the attempted investments had been placed in limbo. With respect to funds from at least one individual (M.D.), Mr. Meharchand could not be sure whether the funds were an attempted investment, or a loan to Mr. Meharchand personally.

[158] Still later during the hearing, Mr. Meharchand amended the summary he had produced at the beginning of the hearing. He testified that he had in fact accepted $141,000 from investor J.B., in the form of three payments, only two of which were shown on his revised summary.

[159] As to the use of the so-called "limbo funds", Mr. Meharchand testified that the funds "were now sitting in cash".[51] When pressed, Mr. Meharchand claimed that he no longer had the cash, because of three "wise guys" (to use Mr. Meharchand's words)[52] who appeared unannounced at his home in December 2017. According to Mr. Meharchand, the three men, of whom one or three had guns (Mr. Meharchand gave different evidence at different points), said that they were there on behalf of investors in Valt.X Holdings. They demanded to be paid $1,250,000, but Mr. Meharchand was able to convince them that he should be responsible for only one fifth of that amount, because there were four members of Staff involved in the matter who, according to Mr. Meharchand, should bear equal responsibility for the funds. In response to a request by the "wise guys" for home addresses for the four members of Staff, Mr. Meharchand says he provided two, which he believed to be accurate.

[160] Mr. Meharchand testified that he had $150,000 in cash in his home at the time. At first, Mr. Meharchand testified that he told that to the three men, although shortly afterwards in his testimony, Mr. Meharchand said that he didn't. In any event, Mr. Meharchand says that they left without taking any of the cash, after Mr. Meharchand promised to pay $250,000 within one week. The three men

[49] Hearing Transcript, May 28, 2018, p 90.
[50] Hearing Transcript, May 28, 2018, p 30.
[51] Hearing Transcript, May 28, 2018, p 88.
[52] Hearing Transcript, May 28, 2018, p 108.

were to return to Mr. Meharchand's house, but did not fix a time at which they would do so.

[161] Mr. Meharchand stated definitively that the three men came by car, but then when Staff counsel began to question him about the car, Mr. Meharchand quickly stated that he never looked outside, and never saw a car. He just assumed they had come by car. This exchange was one of many examples where it appeared to us that Mr. Meharchand changed his evidence on the fly when he realized that the imaginary road down which he was taking counsel and the panel was going to be problematic for him.

[162] Mr. Meharchand testified that in order to raise the additional $100,000, he brought $50,000 in cash to Woodbine, and placed about a dozen bets not with the racetrack itself, but with an individual whose name he does not know, whom Mr. Meharchand described as "essentially" a bookie.[53] Mr. Meharchand further testified that he won $100,000 at the racetrack that day, using the $50,000, which included investor funds.

[163] According to Mr. Meharchand, two of the three "wise guys" came to his house to collect the money. Mr. Meharchand placed $250,000 in cash in a duffel bag, which he gave to the "wise guys". He said, implausibly, that they left without counting the cash.

[164] Several days later during his merits hearing testimony, when Mr. Meharchand was asked to identify which investors he believed were behind the "wise guys", he changed the story entirely. He testified that on further reflection he believed that the visit had nothing to do with Valt.X, but rather was related to his gambling activities.

[165] This most recent evidence is illogical and confirms that his entire testimony about the "wise guy" visit is unworthy of belief. Any speculation on his part that the visit may relate to gambling and not to Valt.X is irreconcilably inconsistent with his earlier evidence about how he negotiated a reduction in the amount from $1,250,000 to $250,000 because four members of Staff should share responsibility, and about how he provided home addresses for two members of Staff.

[166] While the supposed visit by the "wise guys" took place one year after the end of the Material Time, we cite the example as representative of a pattern that we observed in Mr. Meharchand's testimony, leading us to conclude that we cannot accept his uncorroborated evidence about matters in dispute.

[167] Other explanations that we are unable to accept include rent for premises used by Valt.X in Mr. Meharchand's home, and the purported assignment of certain debts.

[168] Mr. Meharchand testified that Valt.X conducted its operations from the basement and garage of the home in Toronto that he jointly owned and occupied with his wife. Mr. Meharchand claimed that he expected to be able to book a rental charge of $1000 per month, although the Respondents produced no records to support this. Staff's transaction analysis showed no periodic payments of $1000, but did show payments during the Material Time to the mortgagee of the house in the aggregate amount of $67,641. We find that this is an example of

[53] Hearing Transcript, May 28, 2018, p 124.

Mr. Meharchand using available funds to make payments to his or his wife's benefit as and when convenient. We do not accept the after-the-fact attribution of such payments to rental costs.

[169] Regarding the assignment of certain debts, Mr. Meharchand testified that third parties, to whom Valt.X Holdings was indebted, assigned those debts to him. Mr. Meharchand's evidence varied regarding these assignments. Three weeks before the merits hearing began, Mr. Meharchand provided Staff with a summary document purporting to show that three individuals and two consultants had assigned debts totaling $1,258,060. On the second day of the merits hearing, Mr. Meharchand revised this information to say that two individuals and one consultant had assigned debts totaling $930,689. He later explained that two of the five parties had asked him, sometime in the preceding several weeks, to "rip up… the assignment agreements".[54]

[170] Mr. Meharchand produced four assignment agreements that purported to account for most of the revised amount:

a. two agreements dated January 1, 2012, and December 31, 2015, respectively, with C.B., totaling C$145,647.63;

b. one agreement with L.A., in the amount of US$507,000, and dated January 1, 2015, although Mr. Meharchand testified that the date was an error and should have been January 1, 2016; and

c. one agreement with J.S. in the amount of C$100,000, and dated September 18, 2016.

[171] Mr. Meharchand testified that the documents were signed by the parties on the exact dates shown on the documents. We do not accept that evidence. We find that Mr. Meharchand created the documents after the fact, in an effort to justify payments from Valt.X Holdings to him. We reach that conclusion for a number of reasons:

a. we reject as implausible Mr. Meharchand's contention that the purpose of the assignments was to relieve Valt.X Holdings of debt, for capital-raising purposes – in fact, the assignments would not achieve that effect;

b. there was no apparent legitimate commercial purpose for Valt.X Holdings to enter into the assignments;

c. there was no apparent reason that the three individuals would enter into the assignments, substituting Mr. Meharchand for Valt.X Holdings as the debtor, and accepting longer repayment periods and significantly lower interest rates; and

d. the documents purporting to evidence the assignments contained errors and characteristics that suggest that they were created in response to Staff having brought this proceeding against the Respondents – for example:

i. the document dated January 1, 2012, refers to C.B. investing funds "prior to 31st Dec 2011", which we conclude was drafted keeping in

[54] Hearing Transcript, May 28, 2018, p 49.

mind the Material Time, a period that was not defined until several years later upon issuance of the Statement of Allegations; and

ii. an error with respect to an individual's gender is not explained by Mr. Meharchand's testimony as to the sequence of events, but rather was more consistent with the documents having been prepared at or around the same time as each other, in preparation for the merits hearing; and

iii. Mr. Meharchand made no mention of the assignments during his 2016 examination by Staff, even though he claimed at the hearing that all four assignments pre-dated that examination.

[172] We are therefore left without any evidentiary support for the Respondents' contentions about "legitimate" use of investor funds. Given the Respondents' lack of records, Staff's analysis of bank transactions does not, and could not, tell the whole story regarding the purpose of various payments. In some cases, payee names made it highly unlikely that the payment is for legitimate business purposes. In other cases, however, we cannot be certain. The Respondents produced no records – at all – to establish any payments that might be considered legitimate operating expenses or capital expenditures. Mr. Meharchand's oral testimony was, as we have explained, incoherent, inconsistent, uncorroborated, and not credible.

iv. Terms of subscription agreements

[173] In closing written submissions responding to the fraud allegation, Mr. Meharchand asserts: "Investors agree in their subscription documents that they are not relying on any information given to them by anyone."

[174] We reject this submission as being inapplicable in cases of fraud,[55] and incompatible with the Commission's mandate to protect investors from those who seek their funds by deceit.

v. Conclusion regarding Mr. Meharchand's actions

[175] We therefore conclude that Mr. Meharchand's actions constituted prohibited acts of deceit and falsehood.

(c) Did those actions result in deprivation to existing or potential investors by causing them actual loss or by placing their pecuniary interests at risk?

[176] We have no difficulty concluding that the actions described above deprived investors, at least by putting their pecuniary interests at risk, if not by causing them actual loss. According to Staff's analysis, less than $50,000 of the funds raised during the Material Time has been returned to investors.

[177] Whatever may have actually happened to investors' funds – whether they were spent on gambling, or were given to "wise guys", or were used for other purposes – none of the actual uses was disclosed to investors in any meaningful way. Absent any cogent explanation as to why funds were paid as they were,

[55] *Incanore Resources Ltd v High River Gold Mines Ltd*, [2008] OJ No 3338 (Sup Ct) at para 31; *1565831 Ontario Ltd v Klupt*, [2005] OJ No 4946 (Sup Ct Comm List) at paras 155-6, aff'd 2007 ONCA 440 (CA).

payments represent a loss to investors, or at a minimum the placing at risk of the investors' pecuniary interests as holders of shares or debt of Valt.X Holdings.

[178] The Respondents submit that because (according to them) Mr. Meharchand applied more funds to "legitimate" corporate uses than the investors contributed, there was no deprivation. We reject this submission. As discussed above, the Respondents have adduced no reliable evidence to support that position. Although Valt.X Holdings may have legitimately owed Mr. Meharchand some money and some funds may have been applied to legitimate business purposes, the evidence does not justify those payments that we have found were made for improper purposes.

(d) Did Mr. Meharchand have the required subjective knowledge of the prohibited acts?

[179] There is no serious issue about Mr. Meharchand's knowledge of the impugned acts. Mr. Meharchand himself made the statements to investors regarding the use of funds. He himself made the disbursements described above. Where Mr. Meharchand and Staff differ is with respect to the truth of his oral and written statements and the character of the payments.

(e) Did Mr. Meharchand's subjective knowledge include the actual or possible consequence of deprivation to existing or potential investors?

[180] Staff led no evidence that Mr. Meharchand had actual knowledge that his actions would result in a deprivation to existing or potential investors. This is not surprising. Unless a respondent were to admit such knowledge, it is unlikely that direct evidence of knowledge would exist. However, as the Supreme Court of Canada has held, the requisite knowledge can, in appropriate cases, be inferred:

> The accused must have subjective awareness, at the very least, that his or her conduct will put the property or economic expectations of others at risk… In certain cases, the inference of subjective knowledge of the risk may be drawn from the facts as the accused believed them to be. The accused may introduce evidence negating that inference, such as evidence that his deceit was part of an innocent prank, or evidence of circumstances which led him to believe that no one would act on his lie or deceitful or dishonest act. But… where the accused tells a lie knowing others will act on it and thereby puts their property at risk, the inference of subjective knowledge that the property of another would be put at risk is clear.[56]

[181] We find that this is such a case. Mr. Meharchand made the statements cited above deliberately, in an effort to solicit investment. He hoped that investors would act on them. The investors entrusted their funds to the Respondents for the advancement of the advertised business objectives of Valt.X Holdings. We therefore infer from the very nature of Mr. Meharchand's acts that he knew of the potential deprivation, if not that actual loss was likely to occur. Absent any credible explanation to the contrary, and there was none, we conclude on a

[56] *Théroux* at 26.

balance of probabilities that Mr. Meharchand's mental state meets the necessary test for fraud.

5. Conclusion regarding fraud

[182] We find that Mr. Meharchand committed numerous acts of deceit, by making false statements to existing and potential investors about the use to which invested funds would be put, and by using invested funds for improper purposes.

[183] In doing so, Mr. Meharchand knowingly put investors' funds at risk, thereby causing them a deprivation, as he knew his actions would.

[184] We therefore conclude that Mr. Meharchand perpetrated a fraud on investors, contrary to clause 126.1(b) of the Act.

V. CONCLUSION

[185] Staff has established that:

a. Mr. Meharchand and Valt.X Holdings distributed securities of Valt.X Holdings without a prospectus, contrary to subsection 53(1) of the Act;

b. Mr. Meharchand and Valt.X Holdings engaged in the business of trading in securities of Valt.X Holdings without being registered, contrary to subsection 25(1) of the Act; and

c. Mr. Meharchand perpetrated a fraud on investors, contrary to clause 126.1(b) of the Act.

[186] We therefore require that the parties contact the Registrar on or before October 30, 2018, to arrange a first attendance in respect of a hearing regarding sanctions and costs. That first attendance is to take place on a date that is mutually convenient, that is fixed by the Secretary, and that is no later than November 9, 2018.

[187] If the parties are unable to present a mutually convenient date to the Registrar, then each of Staff and the Respondents may submit to the Registrar, for consideration by a panel of the Commission, a one-page written submission regarding a date for the first attendance. Any such submission shall be submitted on or before October 30, 2018, and no submission received after that date will be considered.

Dated at Toronto this 19th day of October, 2018.

"Timothy Moseley"

Timothy Moseley

"Deborah Leckman"

Deborah Leckman

"Robert P. Hutchison"

Robert P. Hutchison