



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Citation: Braun (Re), 2019 ONSEC 32

Date: 2019-10-02

File No. 2019-25

**IN THE MATTER OF
ALAN BRAUN, JERRY BRAUN, STEVEN MAXWELL (aka STEVEN FASSMAN),
BRAUN DEVELOPMENTS (B.C.) LTD., 8022275 CANADA INC. and
0985812 B.C. LTD. (dba TERRACORP INVESTMENT LTD.)**

**REASONS AND DECISION
(Subsections 127(1) and 127(10) of the
Securities Act, RSO 1990, c S.5)**

Hearing: In Writing

Decision: October 2, 2019

Panel: M. Cecilia Williams Commissioner and Chair of the Panel

Appearances: Hanchu Chen For Staff of the Commission

No submissions were made on behalf of Alan Braun, Jerry Braun, Steven Maxwell (aka Steven Fassman), Braun Developments (B.C.) Ltd, 8022275 Canada Inc. or 0985812 B.C. Ltd. (dba TerraCorp Investment Ltd.)

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REASONS AND DECISION

I. INTRODUCTION AND BACKGROUND

- [1] In a decision issued by the British Columbia Securities Commission (the **BCSC**) on October 24, 2018,¹ the BCSC Hearing Panel (the **BCSC Panel**) found that:
- (a) Alan Braun (**Alan**), Jerry Braun (**Jerry**), Steven Maxwell (**Maxwell**), Braun Developments (B.C.) Ltd. (**Braun Developments**) and 8022275 Canada Inc. (**8022275**) perpetrated a fraud with respect to three investments by two investors in the amount of \$450,000, contrary to section 57(b) of the British Columbia *Securities Act* (the **BC Act**);²
 - (b) 0985812 B.C. Ltd. (**0985812**) perpetrated a fraud with respect to two investments by one investor in the amount of \$300,000, contrary to section 57(b) of the BC Act; and
 - (c) Alan and Jerry were liable under section 168.2 of the BC Act for Braun Developments' and 0985812's contraventions of the BC Act; and
 - (d) Maxwell was liable under section 168.2 of the BC Act for 8022275's contraventions of the BC Act.
- [2] In a second decision, dated February 19, 2019 (the **BCSC Order**),³ the BCSC Panel imposed various sanctions, conditions, restrictions or requirements on Alan, Jerry, Maxwell, Braun Developments, 8022275 and 0985812 (collectively, the **Respondents**). The details of the BCSC Order are provided in Section II.
- [3] Staff of the Ontario Securities Commission (**Staff** of the **Commission**) relies on the inter-jurisdictional enforcement provisions found in subsection 127(10) of the Ontario *Securities Act* (the **Act**)⁴ and requests that the Commission issue an order that, for the most part, replicates the non-monetary sanctions imposed by the BCSC Panel.
- [4] For the reasons that follow, I find that it is in the public interest to issue an order substantially in the form requested by Staff.

II. BRITISH COLUMBIA PROCEEDINGS AND FINDINGS

A. BCSC Proceeding and Findings

1. Findings – Breach of Sections 57(b) and 168.2 of the BC Act

¹ Exhibit 1, Staff's Hearing Brief, Tab1, *Re Braun*, 2018 BCSECCOM 332 (**BCSC Findings**)

² RSBC 1996, c 418

³ Exhibit 1, Staff's Hearing Brief, Tab 2, *Re Braun*, 2019 BCSECCOM 65 (**BCSC Order**)

⁴ RSO 1990 c S.5

- [5] The conduct for which the Respondents were sanctioned occurred between approximately 2013 and 2014 (the **Material Time**).⁵
- [6] During the Material Time, Alan, his son Jerry, and Maxwell were residents of British Columbia. Alan was a church pastor. None of Alan, Jerry, or Maxwell has ever been registered under the BC Act. The BCSC Panel noted that Maxwell has a significant history of criminal fraud.⁶
- [8] Braun Developments was incorporated in British Columbia on September 17, 2009. During the Material Time, Alan and Jerry were directors of Braun Developments, and Alan and his wife were also officers of the company.⁷
- [9] 8022275 was federally incorporated in Canada on November 14, 2011. During the Material Time, Maxwell was a director, or *de facto* director, of 8022275.⁸
- [10] 0985812 was incorporated in British Columbia on November 17, 2013. During the Material time, Alan and Jerry were officers and directors of 0985812.⁹
- [11] None of Braun Developments, 8022275 nor 0985812 has ever been registered under the BC Act, and has never filed a prospectus under the BC Act.¹⁰

Investor L

- [12] Investor L is an Ontario resident. Investor L met Alan in 2005 while working at a seminary, and Alan was on the Board of Trustees of that seminary.¹¹ During the Material Time, Alan approached Investor L with an opportunity to invest money to be used to acquire a specific house, and then receive his money back plus a 50% return in 60 days following the subsequent resale of the property.¹²
- [13] Jerry later sent Investor L a “purchase sales agreement” between “Braun Developments Ltd.” as purchaser, and 8022275 as vendor, of a specific Edmonton property for the purchase price of \$150,000, with Investor L’s company as “investor”. The agreement reflected that Investor L would receive a total repayment of \$225,000, representing his initial \$150,000 investment plus 50% interest, within 60 days of the date of the agreement. In default of the agreed payment date, Investor L would receive monthly default payments of \$11,250.00, until both his investment and promised return were repaid.¹³
- [14] Investor L provided Jerry with \$1,000 to secure the investment and borrowed the remaining \$149,000 for the investment from a friend (Z). Z transferred \$149,000 into 8022275’s account on behalf of L.¹⁴

⁵ BCSC Findings at paras 13, 26, 29, 46, and 48

⁶ BCSC Findings at paras 6-8; BCSC Order at para 20

⁷ BCSC Findings at para 9

⁸ BCSC Findings at para 10

⁹ BCSC Findings at para 11

¹⁰ BCSC Findings at paras 9-11

¹¹ BCSC Findings at para 12

¹² BCSC Findings at paras 15-16

¹³ BCSC Findings at paras 17 and 19

¹⁴ BCSC Findings at paras 24-26 and 29

- [15] Following expiry of the 60-day payment period, Investor L received three payments from Alan totaling \$3,500 as partial payment of the amount owed under the Purchase Sales Agreement. Neither Investor L, nor Z, have received any further payments.¹⁵
- [16] The BCSC Panel found that the \$149,000 received from Z on behalf of Investor L, was spent by 8022275 and Braun Developments on matters unrelated to the property reflected in the purchase sales agreement, including personal living expenses of the Braun family.¹⁶
- [17] The BCSC Panel further found that title records reflect that the Edmonton property described in Investor L's purchase sales agreement was never acquired during the Material Time by any of "Braun Developments Ltd.", Braun Developments or 8022275.¹⁷

Investor ML

- [18] Investor ML is an Ontario resident, introduced by Investor L to the investment opportunity and to Alan and Jerry. The BCSC Panel noted that Investor ML was a vulnerable investor.¹⁸
- [19] Investor ML entered into two "purchase sales agreements", essentially like Investor L's. Each agreement provided Investor ML would invest \$150,000, for a combined total of \$300,000 with a return within 60 days. Investor ML's agreements were in respect of acquiring two other Edmonton properties, and listed the purchaser as 0985812.¹⁹
- [20] Jerry and Maxwell assisted Investor ML in obtaining a bank draft in the amount of \$300,000 payable to 8022275, and the draft was subsequently deposited into 8022275's account.²⁰
- [21] Within a short time, 8022275 spent \$87,500 it had retained of Investor ML's funds on matters unrelated to the properties specified in her two purchase sales agreements. Within two weeks of having received a total of \$212,500 of Investor ML's funds, Braun Developments also spent those funds on matters unrelated to the purpose of Investor ML's investments, including personal living expenses of the Braun family.²¹
- [22] The BCSC Panel further found that title records reflect that the two properties referenced in Investor ML's purchase sales agreements were never acquired

¹⁵ BCSC Findings at paras 33-34

¹⁶ BCSC Findings at paras 35-36

¹⁷ BCSC Findings at para 37

¹⁸ BCSC Findings at paras 39-41

¹⁹ BCSC Findings at paras 44-45

²⁰ BCSC Findings at para 48

²¹ BCSC Findings at paras 50-51

during the Material Time by any of 0985812, "Braun Developments Ltd.", Braun Developments or 8022275.²²

2. BCSC Order

[23] In the BCSC Order, the BCSC Panel imposed monetary sanctions against the Respondents. Staff does not seek an order replicating those sanctions.

[24] The BCSC Panel also imposed the following non-monetary sanctions²³:

Alan:

- (a) Under section 161(1)(d)(i) of the BC Act, Alan resign any position he holds as a director or officer of an issuer or registrant;
- (b) Alan is permanently prohibited:
 - (i) Under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts, except that he may trade and purchase securities or exchange contracts for his own account through a registered dealer, if he gives the registered dealer a copy of the BCSC Order;
 - (ii) Under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision;
 - (iii) Under section 161(1)(d)(ii) of the BC Act, from becoming or acting as a director or officer of any issuer or registrant;
 - (iv) Under section 161(1)(d)(iii) of the BC Act, from becoming or acting as a registrant or promoter;
 - (v) Under section 161(1)(d)(iv) of the BC Act, from acting in a management or consultative capacity in connection with activities in the securities market; and
 - (vi) Under section 161(1)(d)(v) of the BC Act, from engaging in investor relations activities;

Jerry:

- (c) Under section 161(1)(d)(i) of the BC Act, Jerry resign any position he holds as a director or officer of an issuer or registrant, except that he may continue to act as a director or officer of August Stone Inc., for so long as that entity does not engage in capital raising activities and that a copy of

²² BCSC Findings at para 52

²³ BC Order at para 77

the BCSC Order is provided to all other directors and securityholders of that company;

- (d) Jerry is prohibited for the longer of 15 years and the date that the obligations set out in subparagraphs 77(g) and 77(h) of the BCSC Order are paid:
 - (i) Under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts, except that he may trade and purchase securities or exchange contracts for his own account through a registered dealer, if he gives the registered dealer a copy of the BCSC Order;
 - (ii) Under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision;
 - (iii) Under section 161(1)(d)(ii) of the BC Act, from becoming or acting as a director or officer of any issuer or registrant;
 - (iv) Under section 161(1)(d)(iii) of the BC Act, from becoming or acting as a registrant or promoter;
 - (v) Under section 161(1)(d)(iv) of the BC Act, from acting in a management or consultative capacity in connection with activities in the securities market; and
 - (vi) Under section 161(1)(d)(v) of the BC Act, from engaging in investor relations activities;

Maxwell:

- (e) Under section 161(1)(d)(i) of the BC Act, Maxwell resign any position he holds as a director or officer of an issuer or registrant;
- (f) Maxwell is permanently prohibited;
 - (i) Under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts;
 - (ii) Under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision;
 - (iii) Under section 161(1)(d)(ii) of the BC Act, from becoming or acting as a director or officer of an issuer or registrant;
 - (iv) Under section 161(1)(d)(iii) of the BC Act, from becoming or acting as a registrant or promoter;

- (v) Under section 161(1)(d)(iv) of the BC Act, from acting in a management or consultative capacity in connection with activities in the securities market; and
- (vi) Under section 161(1)(d)(v) of the BC Act, from engaging in investor relations activities;

Braun Developments:

- (g) Braun Developments is permanently prohibited:
 - (i) Under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts;
 - (ii) Under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision; and
- (h) Under section 161(1)(b)(i) of the BC Act, that all persons permanently cease trading in, and be prohibited from purchasing, any securities of Braun Developments;

8022275:

- (i) 8022275 is permanently prohibited;
 - (i) Under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts;
 - (ii) Under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision; and
- (j) Under section 161(1)(b)(i) of the BC Act, that all persons permanently cease trading in, and be prohibited from purchasing, any securities of 8022275;

0985812:

- (k) 0985812 is permanently prohibited:
 - (i) Under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts;
 - (ii) Under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision; and

- (l) Under section 161(1)(b)(i) of the BC Act, that all persons permanently cease trading in, and be prohibited from purchasing, any securities of 0985812 (dba TerraCorp Investment Ltd.).

III. SERVICE AND PARTICIPATION

[25] In this proceeding, the Respondents were served with the Notice of Hearing, Statement of Allegations, Staff's Hearing Brief,²⁴ written submissions and Book of Authorities (**Staff's Materials**) in the following manner:²⁵

- (a) Alan, personally and on behalf of Braun Developments, by email and by courier on July 17, 2019;
- (b) Jerry, personally and on behalf of Braun Developments, by email and by courier on July 17, 2019;
- (c) Maxwell personally by email and courier on July 17, 2019;
- (d) Braun Developments by courier on July 18, 2019 to the last known registered office address of Braun Developments. The courier advised that Staff's Materials could not be delivered because it was an incorrect address for Braun Developments;
- (e) 8022275 by courier on July 18, 2019 to its last known registered office address. The courier advised that Staff's Materials could not be delivered because it was an incorrect address for 8022275. Service on 8022275 was also attempted by courier on July 22, 2019 at a second corporate address. The courier was unable to effect delivery of Staff's Materials on 8022275 at the second address as well. At my request, Staff's Materials were also served on Maxwell on behalf of 8022275, who had been found by the BCSC Panel to be a *de facto* director of 8022275,²⁶ by email on August 1, 2019;²⁷
- (f) 0985812 by courier on July 18, 2019 to the last known registered office of 0985812. Staff's Materials were also served on Tom Hughes, a director and officer of 0985812, by courier on July 18, 2019.

[26] Pursuant to Rule 11(3) of the *Ontario Securities Commission Rules of Procedure and Forms* (the **OSC Rules of Procedure**)²⁸ the deadline for the Respondents to serve and file written submissions was August 29, 2019. No materials were filed on behalf of the Respondents.

²⁴ Staff's Hearing Brief marked as Exhibit 1

²⁵ Exhibit 2, Affidavit of Service of Lee Crann, Sworn July 25, 2019

²⁶ BCSC Findings at para 10

²⁷ Exhibit 3, Supplementary Affidavit of Service of Lee Crann, Sworn August 1, 2019

²⁸ *Ontario Securities Commission Rules of Procedure and Forms* (2019), 42 OSCB 6528, r 11(3)(g) (**OSC Rules of Procedure**)

[27] I am satisfied that the Respondents were provided with adequate notice of this proceeding. Pursuant to the *Statutory Powers Procedure Act* and the *OSC Rules of Procedure*, the Commission may proceed in the absence of a party where the party has been given notice of the hearing.²⁹

IV. ANALYSIS

A. Statutory authority to make public interest orders

[28] Subsection 127(10) of the Act facilitates the inter-jurisdictional enforcement of orders imposed following breaches of securities law. The subsection provides, in paragraph 4, that the Commission may make an order under subsection 127(1) or (5) if a person or company is subject to an order made by a securities regulatory authority of another jurisdiction that imposes sanctions, conditions, restrictions or requirements on the person or company.

[29] The BCSC is a securities regulatory authority. In the BCSC Order, the BCSC made the orders set out in Part II.2 above, imposing sanctions on the Respondents. The test under paragraph 4 of subsection 127(10) of the Act is, therefore, satisfied.

[30] I must, therefore, consider whether it is in the public interest for the Commission to make an order against the Respondents, and if so, what that order should be.³⁰

[31] Orders made under subsection 127(1) of the Act are “protective and preventative” and are made to restrain potential conduct that could be detrimental to the integrity of the capital markets and, therefore, prejudicial to the public interest.³¹

[32] An Ontario connection is not a pre-condition to the exercise of the Commission’s jurisdiction in considering an inter-jurisdictional order under subsection 127(10) of the Act.³² While it isn’t a pre-condition, the evidence presented at the BCSC hearing in this case demonstrates that funds were raised from investors within Ontario.

B. Appropriate sanctions

[33] Staff submits that the Respondents’ conduct warrants an order designed to protect Ontario investors from the Respondents, by preventing or limiting the Respondents’ participation in Ontario’s capital markets. I agree that such an order is in the public interest.

²⁹ *Statutory Powers Procedure Act*, RSO 1990, c S.22, s 7(2); *OSC Rules of Procedure*, r 21(3)

³⁰ The Act at 127(10) and 127(1); *Euston Capital Corp (Re)*, 2009 ONSEC 23, (2009) 32 OSCB 6313 at para 46; *Elliott (Re)*, 2009 ONSEC 26, (2009) 32 OSCB 6931 at para 24

³¹ *Committee for the Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37 at paras 42-43

³² *Biller (Re)*, 2005 ONSEC 15, (2005) 28 OSCB 10131 at paras 32-35; *Cook (Re)*, 2018 ONSEC 6 at para 9; *Currey (Re)*, 2018 ONSEC 47 at para 20

- [34] The Supreme Court of Canada has affirmed that the Commission may make an order under section 127 of the Act for the purposes of general and specific deterrence.³³
- [35] In determining specific sanctions, the Commission may consider several factors including the seriousness of the misconduct, the harm suffered by investors, specific and general deterrence and any aggravating or mitigating factors.³⁴
- [36] The BCSC Panel found that the Respondents perpetrated a fraud and noted that the BCSC has consistently held that fraud is the most serious misconduct found in the BC Act. The BCSC Panel held:³⁵

...[T]he misconduct of all of the respondents in this case was exacerbated by what can only be described as the predatory nature of the respondents' interactions with one of the two investors. This investor testified during the hearing and was clearly a vulnerable investor. All of the respondents interacted with her and would have immediately recognized that she was a vulnerable investor. Yet that did not deter the respondents and they fraudulently entered into investment transactions with her. Alan and Jerry preyed upon a shared spirituality with the investor. Jerry and Maxwell drove the investor to her financial institution in order to assist her in transferring her money to the respondents. That Jerry appears to have been acting principally at the direction of his father, is only a partial mitigation of his culpability with respect to the very serious misconduct that occurred in this case.

- [37] Similarly, this Commission has consistently held that fraud is one of the most egregious securities regulatory violations. It causes direct and immediate harm to its investors, and it significantly undermines confidence in the capital markets.³⁶
- [38] The harm suffered by investors was significant. The BCSC Panel found that Investor ML experienced significant financial loss and has not recouped any of the funds she invested with the Respondents. The BCSC Panel found that Investor L was repaid a small portion of his investment. However, Investor L's friend, Z, has lost almost all the funds he provided for the purpose of Investor L's investment with the Respondents.³⁷

³³ *Cartaway Resources Corp. (Re)*, 2004 SCC 26 at paras 60 and 52

³⁴ *Belteco Holdings Inc. (Re)* (1998), 21 OSCB 7743 at 7746-7747

³⁵ BCSC Order at para 15

³⁶ *Black Panther (Re)*, 2017 ONSEC 8 at para 48

³⁷ BCSC Order at paras 16-17

[39] The BCSC Panel found that in differing amounts, each of Alan, Jerry and Maxwell was significantly enriched, directly or indirectly, by their misconduct.³⁸

[40] With respect to mitigating factors, the BCSC Panel acknowledged none of the Respondents has a history of securities regulatory misconduct. The BCSC Panel noted, however, that Maxwell has a significant history of criminal fraud, and held that although this criminal record did not involve securities fraud, it highlights the risk that Maxwell poses to the capital markets.³⁹

[41] The BCSC Panel concluded, with respect to the risk the Respondents pose to the capital markets, that the Respondents “took advantage, in a most egregious way, of a vulnerable investor” and represent “a very serious risk to our capital markets.”⁴⁰ In justifying the sanctions imposed, the BCSC Panel added:⁴¹

Each of Maxwell, Alan and Jerry carried out their misconduct through the use of family, or closely held, corporations and through their roles as directors and officers of those corporations. It is clear that their actions fall far short of the legal obligations incumbent on those who wish to act as a director or officer of a corporation and our orders must reflect this.

...

Each of the corporate Respondents has been used to carry out fraudulent misconduct. Our orders must ensure that these entities cannot be used in a similar manner in the future.

[42] It is important that this Commission impose sanctions that will protect Ontario investors by specifically deterring the Respondents from engaging in similar or other misconduct in Ontario, and by acting as a general deterrent to other like-minded persons. I accept Staff’s submission that the sanctions imposed by the BCSC Panel are proportionate to the Respondents’ misconduct and that it would be appropriate for me to issue a substantially similar order.

C. Differences between BC and Ontario sanctions

[43] However, due to differences between the Act and the BC statute, some of the sanctions I impose cannot be identical to those imposed by the BCSC Panel. This is true with respect to two aspects of the sanctions.

[44] First, the BCSC Panel prohibited the Respondents from trading in or purchasing “exchange contracts”. Subsection 127(1) of the Act does not expressly refer to exchange contracts. The BC Act defines “exchange contract” to mean a futures contract or option that meets certain specified requirements. As a result, Staff

³⁸ BCSC Order at paras 18, 54-55, 66 and 77

³⁹ BCSC Order at paras 19-20

⁴⁰ BCSC Order at para 21

⁴¹ BCSC Order at paras 22-23

seeks an order permanently prohibiting the Respondents from trading in derivatives. In my view, when considering the factors described above that support the making of orders prohibiting trading, there is no reason to distinguish between securities and derivatives. In the circumstances of this case, it is equally in the public interest to protect Ontario investors and the capital markets by prohibiting the Respondents from trading in derivatives. I will therefore make the order requested by Staff.

- [45] Second, the BCSC Order prohibits Alan, Jerry and Maxwell from engaging in "investor relations activities" and from "acting in a management or consultative capacity in connection with activities in the securities market". In Ontario, the Act does not use those terms. Instead, such activities would largely be covered by the prohibitions already requested, against individuals acting as a director or officer of an issuer or against any respondent acting as a registrant or promoter. I find that it is in the public interest to make the order as requested by Staff, and that such an order effectively mirrors the relevant provisions of the BCSC Order.

V. CONCLUSION

- [46] For the reasons set out above, I find that it is in the public interest to impose the sanctions as requested by Staff. I will therefore order:

Against Alan that:

- (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Alan shall cease permanently, except that he may trade securities or derivatives for his own account through a registered dealer, if he gives the registered dealer copies of the BCSC Order and this Order;
- (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Alan shall cease permanently, except that he may purchase securities for his own account through a registered dealer, if he gives the registered dealer copies of the BCSC Order and this Order;
- (c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Alan permanently;
- (d) pursuant to paragraphs 7, and 8.1 of subsection 127(1) of the Act, Alan shall resign any positions that he holds as a director or officer of any issuer, or registrant;
- (e) pursuant to paragraphs 8, and 8.2 of subsection 127(1) of the Act, Alan is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and

- (f) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Alan is prohibited permanently from becoming or acting as a registrant or promoter.

Against Jerry that:

Until the later of February 19, 2034 and the date that Jerry satisfies the monetary orders as set out in paragraphs 77(g) and 77(h) of the BCSC Order:

- (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Jerry shall cease, except that he may trade securities or derivatives for his own account through a registered dealer, if he gives the registered dealer copies of the BCSC Order and this Order;
- (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Jerry shall cease, except that he may purchase securities for his own account through a registered dealer, if he gives the registered dealer copies of the BCSC Order and this Order;
- (c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Jerry;
- (d) pursuant to paragraphs 7, and 8.1 of subsection 127(1) of the Act, Jerry shall resign any positions that he holds as a director or officer of any issuer, or registrant, except that he may continue to act as a director or officer of August Stone Inc. for so long as that entity does not engage in capital raising activities, and that copies of the BCSC Order and this Order, are provided to all directors and securityholders of that company;
- (e) pursuant to paragraphs 8, and 8.2 of subsection 127(1) of the Act, Jerry is prohibited from becoming or acting as a director or officer of any issuer or registrant, except as set out above; and
- (f) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Jerry is prohibited from becoming or acting as a registrant or promoter;

Against Maxwell that:

- (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Maxwell shall cease permanently;
- (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Maxwell shall cease permanently;

- (c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Maxwell permanently;
- (d) pursuant to paragraphs 7, and 8.1 of subsection 127(1) of the Act, Maxwell shall resign any positions that he holds as a director or officer of any issuer, or registrant;
- (e) pursuant to paragraphs 8, and 8.2 of subsection 127(1) of the Act, Maxwell is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and
- (f) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Maxwell is prohibited permanently from becoming or acting as a registrant or promoter;

Against each of Braun Developments, 8022275 and 0985812 that:

- (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by, or of, Braun Developments, 8022275 and 0985812 shall cease permanently;
- (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Braun Developments, 8022275 and 0985812 shall cease permanently; and
- (c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Braun Developments, 8022275 and 0985812 permanently.

Dated at Toronto this 2nd day of October, 2019.

"M. Cecilia Williams"

M. Cecilia Williams