

**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c.S.5, AS AMENDED**

- AND -

**IN THE MATTER OF GREGORY HRYNIW
AND WALTER HRYNIW**

**SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE COMMISSION AND GREGORY HRYNIW**

I. INTRODUCTION

1. By Amended Notice of Hearing dated October 8, 2003, the Ontario Securities Commission announced that it proposed to hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, (the “Act”) it is in the public interest for the Commission to make an order that:
 - a) the Respondents, or either of them, cease trading in securities permanently or for such period as the Commission may order;
 - b) the exemptions contained in Ontario securities law do not apply to the Respondents, or either of them, permanently or for such period as the Commission may order;
 - c) the Respondents, or either of them, resign any positions they hold as a director or officer of any issuer;

- d) the Respondents, or either of them, be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as the Commission may order;
- e) the Respondents, or either of them, be reprimanded;
- f) the Respondents, or either of them, pay the costs of Staff's investigation and this proceeding; and
- g) such other order as the Commission considers appropriate.

II. JOINT SETTLEMENT RECOMMENDATION

- 2. Staff recommend settlement of the allegations against the Respondent, Gregory Hryniw (the "Respondent") in accordance with the terms and conditions set out below. The Respondent agrees to the settlement on the basis of the facts agreed to as set out in Part IV herein and consents to the making of an order against him in the form attached as Schedule "A" on the basis of the facts set out in Part IV herein.
- 3. This settlement agreement, including the attached Schedule "A" (collectively, the "Settlement Agreement") will be released to the public only if and when the Settlement Agreement is approved by the Commission.

III. ACKNOWLEDGEMENT

- 4. Staff and the Respondent agree with the facts set out in Part IV herein for the purpose of this settlement proceeding only and further agree that this agreement of facts is without prejudice to the Respondent in any other proceedings of any kind including, but without limiting the generality of the foregoing, any proceedings brought by the Commission under the Act or any civil or other proceedings which may be brought by any other person or agency.

IV. AGREED FACTS

Factual Background

5. Golden Hope Mines Limited is a reporting issuer in the Province of Ontario. The shares of Golden Hope were, at the material time, listed and posted for trading on the Canadian Dealing Network.
6. Gregory Hryniw is a resident in the City of Montreal in the Province of Quebec. At the material time, G. Hryniw was a 27 year old geologist and was a director of Golden Hope.
7. Walter Hryniw is G. Hryniw's father and is a resident of the City of Montreal in the Province of Quebec.
8. In or around May 8, 1998, Staff commenced an investigation with respect to trades that were made in shares of Golden Hope immediately prior to a favourable public announcement on June 3, 1997 concerning Golden Hope's participation in a private placement.
9. In particular, Staff were investigating the purchase of 585,000 Golden Hope shares through an account held at The Bank of N.T. Butterfield & Sons Limited ("Butterfield Bank") in Hamilton, Bermuda (the "Bermuda Account").
10. During the course of Staff's investigation of this matter, G. Hryniw attended at the Commission's offices for a voluntary interview in April, 2002 and was asked whether he or W. Hryniw had any banking or brokerage accounts in Bermuda. G. Hryniw advised that to his knowledge they did not and that he had not heard of the Butterfield Bank.
11. Pursuant to an application to the Attorney General of Bermuda by Staff, Staff obtained documentation from the Butterfield Bank which revealed that the Bermuda Account was in the names of W. Hryniw and G. Hryniw, and which confirmed the trading in Golden

Hope shares in the Bermuda Account in June, 1997. The documentation included copies of the passports of both G. Hryniw and W. Hryniw, account statements, security transaction forms and a Custody Agreement signed by G. Hryniw.

12. The Respondent admits that the representations made to Staff set out in paragraph 10 above were false and misleading.

Conduct Contrary to the Ontario Securities Act and the Public Interest

13. The Respondent's conduct as described above constituted a contravention of s. 122 of the Act and was conduct contrary to the public interest.

V. RESPONDENT'S REPRESENTATION

14. The Respondent represents that only W. Hryniw opened, operated and traded in the Bermuda Account.
15. The Respondent represents that he resigned his position as a director of Golden Hope in February, 2005. He further represents that he does not currently hold any other positions as officer or director of any issuer.

VI. TERMS OF SETTLEMENT

16. The Respondent agrees to the following terms of settlement:
 - (a) the Respondent will cease trading in securities for a period of three years effective from the date of the Order of the Commission approving the Settlement Agreement;
 - (b) the exemptions contained in Ontario securities law will not apply to the Respondent for a period of three years, effective from the

date of the Order of the Commission approving the Settlement Agreement;

- (c) the Respondent will not act as an officer or director of any issuer for a period of three years, effective from the date of the Order of the Commission approving the Settlement Agreement;
- (d) the Respondent will be reprimanded by the Commission;
- (e) the Respondent agrees to attend the hearing on June 16, 2005 by telephone conference, or such other date as may be agreed to by the parties for the scheduling of the hearing to consider the Settlement Agreement; and
- (f) the Respondent will make a total payment of \$2,500.00 to the Commission in respect of a portion of the Commission's costs with respect to this matter, such payment to be payable in the amounts of \$500.00 upon approval of this Settlement Agreement and \$500.00 per month payable on July 31, 2005, August 31, 2005, September 30, 2005 and October 31, 2005.

VII. STAFF COMMITMENT

- 17. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under Ontario securities law in respect of any conduct or alleged conduct of the Respondent in relation to the facts set out in Part IV of this Settlement Agreement, subject to the provisions of paragraphs 21 and 22 below.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

- 18. Approval of this Settlement Agreement shall be sought at a public hearing of the Commission scheduled for June 16, 2005 (the "Settlement Hearing") or such date as may be agreed to by Staff and the Respondent.

18. Staff or the Respondent may refer to any part, or all, of the Settlement Agreement at the Settlement Hearing. Staff and the Respondent agree that the Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing, unless the parties agree that further evidence should be submitted at the Settlement Hearing.
19. If the Settlement Agreement is approved by the Commission, the Respondent agrees to waive his right to a full hearing, judicial review or appeal of the matter under the Act.
20. The Respondent and the Commission agree and undertake that if the Settlement Agreement is approved by the Commission, they will not make any statement inconsistent with this Settlement Agreement.
21. If the Respondent fails to honour the agreement contained in paragraph 20 of this Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against the Respondent based on the facts set out in Part IV of this Settlement Agreement, as well as the breach of the Settlement Agreement.
22. If the Settlement Agreement is approved by the Commission, and at any subsequent time the Respondent fails to honour any of the Terms of Settlement set out in Part VI herein, Staff reserve the right to bring proceedings under Ontario securities law against the Respondent based on the facts set out in Part IV of the Settlement Agreement, as well as the breach of the Settlement Agreement.
23. Whether or not the Settlement Agreement is approved by the Commission, the Respondent agrees that he will not, in any proceeding, refer to or rely upon the Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.
24. If, for any reason whatsoever, the Settlement Agreement is not approved by the Commission, or an order in the form attached as Schedule "A" is not made by the

Commission;

- (a) the Settlement Agreement and its terms, including all settlement negotiations between Staff and the Respondent leading up to its presentation at the Settlement Hearing, shall be without prejudice to Staff and the Respondent;
- (b) Staff and the Respondent shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Amended Notice of Hearing and Amended Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement negotiations; and
- (c) the terms of the Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person except with the written consent of Staff and the Respondent, or as may be required by law.

IX. DISCLOSURE OF SETTLEMENT AGREEMENT

- 25. The Settlement Agreement and its terms will be treated as confidential by Staff and the Respondent until approved by the Commission, and forever if, for any reason whatsoever, the Settlement Agreement is not approved by the Commission, except with the written consent of Staff and the Respondent, or as may be required by law.
- 26. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Commission.

X. EXECUTION OF SETTLEMENT AGREEMENT

27. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

28. A facsimile copy of any signature shall be as effective as an original signature.

Signed in the presence of:

"Gregory Hryniw"

DATED this 6th day of May, 2005

Staff of the Ontario Securities Commission

Per:

"Michael Watson"

Director, Enforcement Branch

DATED this 10th day of May, 2005