

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Piergiorgio Donnini

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990. C. S. 5, AS AMENDED;

IN THE MATTER OF
THE STATUTORY POWERS PROCEDURE ACT,
R.S.O. 1990, C. S. 22, AS AMENDED; AND

IN THE MATTER OF
PIERGIORGIO DONNINI

SETTLEMENT AGREEMENT BETWEEN STAFF
OF THE ONTARIO SECURITIES COMMISSION
AND PIERGIORGIO DONNINI

I. INTRODUCTION

1. Pursuant to section 5(1) of the "Practice Guidelines - Settlement Procedures in Matters Before the Ontario Securities Commission" of the Ontario Securities Commission Rules of Practice, Staff of the Ontario Securities Commission and Piergiorgio Donnini ("Donnini") propose to settle the matter of costs payable by Donnini to the Ontario Securities Commission (the "Commission") in respect of a Commission proceeding (defined below). The purpose of this settlement is to resolve the matter of costs without the necessity of a further hearing before the Commission to assess the costs payable by Donnini to the Commission in respect of costs incurred by Staff and the Commission.

II. STATEMENT OF FACTS

Facts

2. On September 12, 2002, following a hearing pursuant to a Notice of Hearing dated December 17, 2001 (the "Commission Proceeding"), the Commission found that Donnini committed unlawful insider trading contrary to section 76(1) of the *Securities Act*, R.S.O. 1990, c.S.5 (the "Act"). The order of the Commission dated September 12, 2002 (the "Commission's Order") imposed 15 year sanctions on Donnini. The Commission further awarded costs payable by Donnini to the Commission in the amount of \$186,052.30.
3. The Commission's Order in respect of Donnini's liability under section 76(1) of the Act was affirmed by decisions of the Divisional Court dated October 31, 2003 and the Ontario Court of Appeal dated January 28, 2005, respectively.
4. The Ontario Court of Appeal in its decision dated January 28, 2005 further affirmed the 15 year sanctions imposed by the Commission on Donnini. Donnini has not sought leave to appeal the decision of the Ontario Court of Appeal to the Supreme Court of Canada, and the time for seeking such leave has expired.
5. The Ontario Court of Appeal further remitted to the Commission for consideration the matter of the costs award payable by Donnini in respect of the Commission Proceeding.

III. TERMS OF SETTLEMENT

6. At the time of approval of this Settlement Agreement, Donnini agrees to make a payment in the amount of \$25,000.00 by certified cheque or bank draft to the Ontario Securities Commission in satisfaction of costs incurred by Staff and the Commission in respect of the Commission Proceeding referred to herein.
7. Donnini agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement discussions/negotiations or the process of obtaining the Executive Director's consent to this Settlement Agreement as

the basis for 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.

IV. DISCLOSURE OF SETTLEMENT AGREEMENT

8. This Settlement Agreement and its terms will be treated as confidential by Staff and Donnini until consented to by the Executive Director, and forever, if for any reason whatsoever this settlement is not consented to by the Executive Director, except with the consent of Staff and Donnini, or as may be required by law.
9. Any obligation of confidentiality shall terminate upon receiving the Executive Director's consent to this settlement.
10. Staff and Donnini agree that if the Executive Director does consent to this settlement, they will not make any public statement inconsistent with this Settlement Agreement.

V. EXECUTION OF SETTLEMENT AGREEMENT

11. This Settlement Agreement may be signed in one or more counterparts which together shall constitute binding agreement.
12. A facsimile signature of any signature shall be effective as an original signature.

DATED this 1st day of June, 2005

Witness

"Piergiorgio Donnini"
PIERGIORGIO DONNINI

DATED this 1st day of June, 2005

STAFF OF THE ONTARIO
SECURITIES COMMISSION

(Per) "Michael Watson" _____
MICHAEL WATSON
Director, Enforcement Branch

I hereby consent to the settlement of this matter on the terms contained in this Settlement Agreement.

DATED this 1st day of June, 2005

"Charles Macfarlane" _____
CHARLES MACFARLANE
Executive Director