



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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

**- and -**

**IN THE MATTER OF COLBY COOPER CAPITAL INC.  
COLBY COOPER INC., PAC WEST MINERALS LIMITED  
JOHN DOUGLAS LEE MASON**

**SETTLEMENT AGREEMENT  
PART I – INTRODUCTION**

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will 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 certain orders in respect of Colby Cooper Capital Inc. (“CCCI”), Colby Cooper Inc. (“CCI”), Pac West Minerals Limited (“Pac West”), and John Douglas Lee Mason (“Mason”) (collectively, the “Respondents”).

**PART II – JOINT SETTLEMENT RECOMMENDATION**

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated March 27, 2012 (the “Proceeding”) against the Respondents according to the terms and conditions set out in Part V of this Settlement Agreement. The Respondents agree to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

**PART III – AGREED FACTS**

3. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts as set out in Part III of this Settlement Agreement.

**A. OVERVIEW**

4. Between November 7, 2006 until March 1, 2012, (the “Relevant Period”), CCCI, CCI, Pac West, and Mason sold shares of CCI (the “Colby Securities”) and Pac West (the “Pac West Securities”) to approximately 350 CCI investors and to 130 Pac West investors, in a number of provinces across Canada, raising approximately \$4,800,000. During the Relevant Period, the Respondents breached securities laws by engaging in fraudulent conduct by making misrepresentations to investors and misappropriating investor funds, by trading in securities without registration and without the required prospectus or an appropriate exemption, by failing to keep proper books and records and by failing to meet Know Your Client obligations. Further, the Respondents acted in a manner that was contrary to the public interest.

**B. THE RESPONDENTS**

5. CCI is a corporation incorporated in the province of Alberta on July 21, 2006. It has a registered head office at an address in Calgary which is, in fact, a virtual office with a post office box (the “Post Office Box”). CCI operated out of an office in Toronto, Ontario that it shared with the other Respondent companies.
6. CCCI is a corporation incorporated in the province of Alberta on October 4, 2006 under another name, undergoing a name change to CCCI on October 18, 2007. Its registered head office is the Post Office Box in Calgary shared with CCI. CCCI operated from a principal office in Toronto, Ontario, which office it shared with the other Respondent companies. In Ontario, CCCI was registered in the category of limited market dealer from January 31, 2008 to September 27, 2009. With the implementation of NI 31-103 on September 28, 2009, CCCI’s category of registration was changed to exempt market dealer (“EMD”). CCCI was registered as an EMD from September 28, 2009 to January 31, 2012 when its registration was suspended.
7. Pac West is a corporation incorporated in the province of Alberta on March 10, 2009. It has a registered head office at the Post Office Box in Calgary. Pac West also operated out of an office in Toronto, Ontario that it shared with the other Respondent companies.
8. Mason is a resident of Ontario. He is the President and CEO of CCI and Pac West and their major shareholder. He is CCCI’s President and CEO, and he was registered initially as CCCI’s designated compliance officer, officer and director (trading) until September 27, 2009. Subsequently, Mason was registered as CCCI’s chief compliance officer, ultimate designated

person and dealing representative. Mason's registrations as chief compliance officer and dealing representative were suspended on January 20, 2011, and his registration as ultimate designated person was suspended on January 31, 2012 with the suspension of CCCI's registration.

### **C. FRAUDULENT AND PROHIBITED CONDUCT**

9. The Respondents engaged in a course of conduct relating to securities that they knew or reasonably ought to have known would result in a fraud on potential investors, and made prohibited representations and provided information to potential investors that was false, inaccurate and misleading.

#### **i) MISREPRESENTATIONS TO INVESTORS**

10. Between December 2006 to January 30, 2008, Mason and CCI sold the Colby Securities directly to the public. From January 31, 2008 until April 2010, Mason and CCCI sold the Colby Securities. Together, these Respondents raised at least \$3.6 million from approximately 350 investors.
11. Between August 2009 and November 2010, Mason and CCCI sold the Pac West Securities, raising at least \$1.2 million from approximately 130 investors.
12. In the course of selling the Colby and PacWest Securities, the Respondents adopted a high pressure sales approach that included making representations and providing information to potential investors orally, in marketing materials and on their websites that was false, inaccurate and misleading, in an attempt to induce potential investors to purchase the Colby and Pac West Securities.
13. Significantly, the Respondents advised investors orally and/or in marketing materials that the funds raised by the distribution of the Colby and Pac West Securities had been invested in, and would be used to develop oil and gas properties in Texas and Alberta. In fact, during the Relevant Period, only approximately \$50,000 of the \$4,800,000 raised had been invested in acquiring two very minor working interests in Texas that resulted in no returns on investment. Further, no investment was made in Alberta until mid 2011 when CCCI was the subject of a compliance review by Commission staff.

14. In addition, the Respondents' web sites and other marketing materials displayed maps and technical details of and about the oil and gas regions in Alberta and Texas, along with images of drilling machinery, creating the illusion that the Respondents had actual and significant investment in these areas, when they did not.
15. In particular, the Respondents:
- (a) misrepresented that Mason had considerable experience in the investment and oil and gas industries;
  - (b) created and distributed a false magazine article and cover page on Pac West;
  - (c) falsely indicated that a reputable mining consulting firm was associated with Pac West;
  - (d) represented that CCI and Pac West would be traded on a public stock exchange in the future; and
  - (e) represented that the future value of the Colby and Pac West Securities would appreciate significantly.
16. Additionally, in order to induce investors to invest in CCI and Pac West and with the intention of effecting trades in the Colby and Pac West Securities, Mason, CCI and CCCI made representations to potential investors regarding these shares being listed on a stock exchange. Mason has not taken any steps to take CCI or Pac West public.

**ii) APPLICATION OF INVESTOR FUNDS CONTRARY TO REASONABLE EXPECTATIONS**

17. The Respondents' only source of funds were funds obtained from investors. Once in possession of funds from investors, the Respondents applied these funds for purposes other than the development of oil and gas companies, contrary to the reasonable expectations of shareholders, in that:
- (a) CCI and Pac West made payments to CCCI who used the funds in a manner that was not disclosed to investors;

- (b) Mason commingled Pac West and CCI investor funds;
  - (c) Mason used the funds to pay for personal expenses including trips to Las Vegas and Bahamas and to pay for his personal credit cards;
  - (d) Mason made sizable cash withdrawals from Pac West, CCI and CCCI corporate bank accounts; and
  - (e) The Respondents used bank drafts in an attempt to avoid detection by Staff and to avoid the application of freeze orders that had been obtained over bank and investment accounts held by CCI, CCCI, and Pac West.
18. In particular, of the approximately \$4,800,000 raised from investors,
- (a) less than 10% (approximately \$400,000) was used to purchase oil and gas working interest investments;
  - (b) at least \$1,000,000 went to Mason to pay for personal expenses including personal taxes, personal credit card payments, cash withdrawals, payments to family members, groceries and condo rent; and
  - (c) the balance was spent on purported business expenses including commissions to qualifiers, sales persons, administration staff, payments to oil and gas consultants who sat on the boards of CCI and Pac West, office rent, advertising, and marketing.
19. Requests from some investors to return their investment have been ignored by the Respondents. As of the date of this settlement, all but \$615,000.00 of funds raised from investors had been expended, and this remaining amount was subject to freeze orders obtained over the Respondents' bank and investment accounts. The only asset held by any of the Respondents is a small investment by CCI in Alberta, purchased for \$360,000 in May 2011, which investment has not generated any meaningful return.

**D. ILLEGAL DISTRIBUTION OF SHARES TO THE PUBLIC**

20. In order to sell the Colby and Pac West securities, Mason and several unregistered and commissioned sales persons hired by him contacted potential investors by telephone. All the investors were “cold called”, most from lists purchased by CCI and/or CCCI.
21. The potential investors were provided with reports on the oil and gas industry copied from large newspapers or magazines, along with misleading information exaggerating the position of CCI and Pac West in those industries. As set out above, the investors were advised that CCI and Pac West were developing oil and gas properties in Texas and Alberta, and that investor funds would be used to generate revenues by extracting oil and gas from those properties.
22. Interested investors were encouraged to purchase securities comprised of one common share of either CCI or Pac West and a common share purchase warrant, exercisable into common shares before a specified closing date. Investors were told that only a limited number of units were available at the current price, and that future investment would be more costly. After agreeing to invest, subscription agreements were sent to investors setting out the quantity, unit price and total amount of investment. Many investors were contacted repeatedly and some made additional investments as a result of these further sales efforts.
23. Not all of the 350 CCI investors or 130 Pac West investors qualified as accredited investors or met the applicable prospectus exemptions. Further, Mason, CCI and CCCI failed to make any appropriate inquiries relating to investors’ financial condition.
24. The sales of Colby and Pac West Securities were trades in securities not previously issued and were therefore distributions. No prospectus or preliminary prospectus was filed with the Commission for these securities, and no prospectus receipt has ever been issued to qualify the sale of those shares.

**E. FAILURE TO KEEP PROPER BOOKS AND RECORDS**

25. CCCI, CCI, and Mason also failed to keep books, records and other documents as are necessary for the proper recording of market participants’ business transactions and financial affairs. In addition, CCCI, CCI, and Mason did not have sufficient information to meet the applicable Know Your Client and suitability obligations.

**PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW  
AND THE PUBLIC INTEREST**

26. By engaging in the conduct described above, the Respondents admit and acknowledge that they have breached Ontario securities law by contravening sections 19, 25, 38, 53, 126.1, 126.2(1) and 129.2 of the Act, and section 13.2 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103") and the Respondents admit and acknowledge that they have acted contrary to the public interest.
27. In particular:
- (a) The Respondents made misleading or fraudulent misrepresentations to investors and misappropriated investors funds knowing or having reasonably ought to have known that these acts or course of conduct would result in a fraud on a person, contrary to section 126.1 of the Act;
  - (b) The Respondents made statements to investors that were misleading or untrue in a material respect, and which would reasonably be expected to have a significant effect on the value of these securities in contravention of s. 126.2(1) of the Act;
  - (c) CCCI, CCI, and Mason made prohibited representations concerning the future listing of shares in order to effect sales of the Colby and Pac West Securities, contrary to s.38 of the Act;
  - (d) CCCI acted outside the scope of its registration with the Commission as a limited market dealer and exempt market dealer, and CCI, and Mason traded and engaged in, or held themselves out as engaging in, the business of trading in securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(a) of the Act as that section existed at the time the conduct at issue commenced in November 2006, and contrary to section 25(1) of the Act, as subsequently amended on September 28, 2009;
  - (e) CCCI, CCI, and Mason traded in Colby Securities and Pac West Securities without the required prospectus receipt or appropriate exemption, contrary to section 53 of the Act;

- (f) CCCI, CCI, and Mason failed to keep books, records and other documents as are necessary for the proper recording of market participants' business transactions and financial affairs, contrary to section 19 of the Act, and s.13.2 of NI 31-103; and
- (g) Mason has authorized, permitted or acquiesced in the breaches by CCCI, CCI and Pac West of sections 19, 25, 38, 53, 126.1 and 126.2(1) of the Act, along with the breaches of NI 31-103, contrary to section 129.2 of the Act.

#### **PART V – TERMS OF SETTLEMENT**

- 28. The Respondents agree to the terms of settlement listed below.
- 29. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:
  - (a) The settlement agreement is approved;
  - (b) The Respondents be reprimanded, pursuant to paragraph 6 of section 127(1) of the Act;
  - (c) The registration granted to Mason and CCCI under Ontario securities law be terminated, pursuant to paragraph 1 of section 127(1) of the Act;
  - (d) Trading in any securities by or of the Respondents cease permanently, pursuant to paragraph 2 of section 127(1) of the Act;
  - (e) Acquisition of any securities by the Respondents is prohibited permanently, pursuant to paragraph 2.1 of section 127(1) of the Act;
  - (f) Any exemptions contained in Ontario securities law do not apply to the Respondents permanently, pursuant to paragraph 3 of section 127(1) of the Act;
  - (g) Mason shall resign all positions that he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of section 127(1) of the Act;
  - (h) Mason shall be permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of section 127(1) of the Act;



- (i) The Respondents shall be permanently prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of section 127(1) of the Act;
- (j) The Respondents shall pay to the Commission an administrative penalty of \$500,000.00, on a joint and several basis, for their failure to comply with Ontario securities law, to be designated under s. 3.4(2)(b) of the Act, pursuant to paragraph 9 of section 127(1) of the Act;
- (k) CCI shall disgorge to the Commission the sum of \$3,626,089.13, obtained as a result of non-compliance with Ontario securities law, to be designated under s. 3.4(2)(b) of the Act, pursuant to paragraph 10 of section 127(1) of the Act;
- (l) Pac West shall disgorge to the Commission the sum of \$1,223,800.00, obtained as a result of non-compliance with Ontario securities law, to be designated under s. 3.4(2)(b) of the Act, pursuant to paragraph 10 of section 127(1) of the Act;
- (m) Mason shall disgorge to the Commission the sum of \$1,174,175.21, obtained as a result of non-compliance with Ontario securities law, to be designated under s. 3.4(2)(b) of the Act, pursuant to paragraph 10 of section 127(1) of the Act;
- (n) The Respondents shall be ordered to pay the costs of the Commission investigation and the hearing in the amount of \$100,000.00, on a joint and several basis, pursuant to section 127.1 of the Act;
- (o) After the payments set out in paragraphs 29 (j), (k), (l), (m), and (n) are made in full, as an exception to the provisions of paragraphs 29 (d) (e) and (f), Mason is permitted to trade in or acquire, for the account of his personal registered retirement savings plan and his registered pension plan as defined in the Income Tax Act, R.S.C. 1985, c.1, as amended (the "Income Tax Act"), solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s)

of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer; and

- (p) Until the entire amount of the payments set out in paragraphs 29 (j), (k), (l), (m), and (n) are paid in full, the provisions of paragraphs 29 (d) (e) and (f) shall continue in force without any limitation as to time period.
30. Pursuant to section 37(1) of the Act, the Commission orders that the Respondents are prohibited from:
- (a) calling at any residence in Ontario for the purpose of trading in securities, or
  - (b) telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in securities.
31. The Respondents agree to make any payments ordered above when the Commission approves this Settlement Agreement. The Respondents will not be reimbursed for, or receive a contribution toward, this payment from any other person or company.
32. Mason, on his own behalf and on behalf of CCCI, CCI and Pac West, hereby consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 29 (b) to (i) and 30 above, and further, hereby consents to such orders under applicable securities laws as may be necessary to permit the collection of any assets held by the Respondents and to such orders as may be necessary to permit the distribution of those assets to investors. These prohibitions and orders may be modified to reflect the provisions of the relevant provincial or territorial securities law.

#### **PART VI – STAFF COMMITMENT**

33. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 34 below.

34. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondents. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement. In addition, if this Settlement Agreement is approved by the Commission, and the Respondents fail to comply with the terms of the Settlement Agreement, the Commission is entitled to bring any proceedings necessary to recover the amounts set out in sub-paragraphs 29 (j) to (n) above.

#### **PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT**

35. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for April 24, 2013, or on another date agreed to by Staff and the Respondents, according to the procedures set out in this Settlement Agreement and the Commission's *Rules of Procedure*.
36. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondents' conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
37. If the Commission approves this Settlement Agreement, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
38. If the Commission approves this Settlement Agreement, none of the parties will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
39. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

**PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

40. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule “A” to this Settlement Agreement:

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the settlement hearing takes place will be without prejudice to Staff and the Respondents; and

(b) Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

41. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

**PART IX – EXECUTION OF SETTLEMENT AGREEMENT**

42. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

43. A copy of any signature will be treated as an original signature.

DATED this 17<sup>th</sup> day of April, 2013.

*“Margaret Mason”*

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Witness: Margaret Mason

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*“John Douglas Lee Mason”*

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**JOHN DOUGLAS LEE MASON**

DATED this 17<sup>th</sup> day of April, 2013.

*"M. Mason"*

Witness: Margaret Mason

*"John Douglas Lee Mason"*

**COLBY COOPER CAPITAL INC.**  
Per: **JOHN DOUGLAS LEE MASON**  
Authorized Signatory

DATED this 17<sup>th</sup> day of April, 2013.

*"M. Mason"*

Witness: Margaret Mason

*"John Douglas Lee Mason"*

**COLBY COOPER INC.**  
Per: **JOHN DOUGLAS LEE MASON**  
Authorized Signatory

DATED this 17<sup>th</sup> day of April, 2013

*"M. Mason"*

Witness: Margaret Mason

*"John Douglas Lee Mason"*

**PAC WEST MINERALS LIMITED**  
Per: **JOHN DOUGLAS LEE MASON**  
Authorized Signatory

DATED this 18<sup>th</sup> day of April, 2013.

*"Tom Atkinson"*

TOM ATKINSON

Director, Enforcement Branch

**SCHEDULE "A"**

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

**- AND -**

**and -**

**IN THE MATTER OF COLBY COOPER CAPITAL INC.  
COLBY COOPER INC., PAC WEST MINERALS LIMITED  
JOHN DOUGLAS LEE MASON**

**- AND -**

**IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION AND THE RESPONDENTS**

**ORDER**

**(Sections 37, 127 and 127.1 of the *Securities Act*)**

**WHEREAS** on March 27, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Colby Cooper Capital Inc. ("CCCI"), Colby Cooper Inc. ("CCI"), Pac West Minerals Limited ("Pac West"), and John Douglas Lee Mason ("Mason") (collectively, the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 27, 2012;

**AND WHEREAS** the Respondents entered into a Settlement Agreement with Staff of the Commission dated \_\_\_\_\_, 2013 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 27, 2012, subject to the approval of the Commission;

**AND WHEREAS** on \_\_\_\_\_, 2013, the Commission issued a Notice of Hearing pursuant to sections 37 and 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondents;

**AND UPON** reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for the Respondents and from Staff of the Commission;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS HEREBY ORDERED THAT:**

44. The settlement agreement is approved;
45. pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondents shall be reprimanded;
46. pursuant to paragraph 1 of section 127(1) of the Act, the registration granted to Mason and CCCI under Ontario securities law shall be terminated;
47. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by the Respondents cease permanently;
48. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by the Respondents is prohibited permanently;
49. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents permanently;
50. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Mason shall resign all positions that he holds as a director or officer of any issuer, registrant or investment fund manager;
51. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Mason is permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
52. pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondents are permanently prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
53. The Respondents shall be ordered to pay to the Commission, on a joint and several basis:

- i) an administrative penalty in the amount of \$500,000.00, for their failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
  - ii) costs of the Commission investigation and the hearing in the amount of \$100,000.00, pursuant to section 127.1 of the Act;
- 54. pursuant to paragraph 10 of subsection 127(1) of the Act, CCI shall disgorge to the Commission the sum of \$3,626,089.13, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- 55. pursuant to paragraph 10 of subsection 127(1) of the Act, Pac West shall disgorge to the Commission the sum of \$1,223,800.00, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- 56. pursuant to paragraph 10 of subsection 127(1) of the Act, Mason shall disgorge to the Commission the sum of \$1,174,175.21, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- 57. Pursuant to section 37(1) of the Act, the Respondents are permanently prohibited from:
  - i) calling at any residence in Ontario for the purpose of trading in securities, or
  - ii) telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in securities.
- 58. After the payments set out in paragraphs (j), (k), (l), and (m) are made in full, as an exception to the provisions of paragraphs (d) (e) and (f), Mason is permitted to trade in or acquire, for the account of his personal registered retirement savings plan and his registered pension plan as defined in the Income Tax Act, R.S.C. 1985, c.1, as amended (the "Income Tax Act"), solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument



21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer; and

59. Until the entire amount of the payments set out in paragraphs (j), (k), (l), and (m) are paid in full, the provisions of paragraphs (d) (e) and (f) shall continue in force without any limitation as to time period.

**DATED** at Toronto this \_\_\_\_\_ day of April, 2013.

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