

**IN THE MATTER OF THE
SECURITIES ACT R.S.O. 1990, c. S. 5, as amended**

AND

**IN THE MATTER OF
RON CARTER HEW**

**STATEMENT OF ALLEGATIONS
OF STAFF
OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

1. Ron Carter Hew (“Hew”) is a 45 year old individual residing in North York, Ontario.
2. Between 1992 and 2004, Hew directed trading in the investment accounts of at least 17 individuals (including three members of an investment club) by, in all but one case, obtaining their on-line passwords and/or trading authorizations (the “Investors”). The Investors were all residents of Ontario and the trading took place in Ontario.
3. It was agreed as between Hew and the Investors that Hew would receive 20% of any profits achieved in the Investors’ accounts on a monthly basis.

4. In total, losses in the approximate amount of \$600,000 to \$800,000 were realized by Hew in the Investors' accounts over which he had authority
5. Hew's traded aggressively utilizing margins and options and primarily in US hi-tech stocks.
6. Hew received approximately \$80,000 to \$100,000 from the Investors in connection with his trading in their accounts.
7. In April of 2002, Hew established an investment club comprised of three members in addition to himself. Hew directed all trades on behalf of the club and for so doing, it was agreed that he would receive 20% of the profits achieved on a monthly basis. Hew received a total of approximately \$400.00 from the club.
8. In July of 2001, Staff advised Hew in writing that he was required to be registered as an adviser in order to engage in the aforementioned activities.
9. Hew has never been registered as an adviser.
10. The activities of Hew in directing trading for the Investors in exchange for a percentage of profits achieved, constituted advising in securities without registration contrary to section 25 of the *Securities Act*.

Conduct Contrary to the Public Interest

11. The Respondents' conduct as described above contravened Ontario securities laws and was contrary to the public interest.

12. Such additional allegations as Staff may advise and the Commission permit.

Dated at Toronto this 23rd day of June, 2005