

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

AND

**FULCRUM FINANCIAL GROUP INC.,
SECURED LIFE VENTURES INC.,
ZEPHYR ALTERNATIVE POWER INC.,
TROY VAN DYK, WILLIAM L. ROGERS
LESZEK DZIADECKI, WERNER REINDORF
and REINDORF INVESTMENTS INC.**

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

Staff of the Ontario Securities Commission (the “Commission”) make the following allegations:

Background

1. Fulcrum Financial Group Inc. (“Fulcrum”) is an Ontario corporation incorporated in December, 2004.
2. Fulcrum carries on business as an insurance agency licensed by the Financial Services Commission of Ontario (FSCO) and is not registered in any capacity with the Commission.
3. The President and sole Director of Fulcrum is Troy Van Dyk of Delaware, Ontario. He is an insurance agent licensed by FSCO. Van Dyk is not registered in any capacity with the Commission.
4. The Executive Vice-President of Fulcrum is William L. Rogers of London, Ontario. He is an insurance agent licensed by FSCO. Rogers is not currently registered with the Commission.
5. Secured Life Ventures Inc. (“Secured Life”) is an Ontario corporation that invests in managing general agencies of insurance companies. Van Dyk is the President and a Director of Secured Life.

6. Zephyr Alternative Power Inc. (“Zephyr”) is an Ontario corporation that manufactures wind turbines.
7. Leszek Dziadecki of Mississauga, Ontario is registered with the Commission as a salesperson and branch manager in the categories of mutual fund dealer, limited market dealer and scholarship plan dealer. Dziadecki's sponsoring firm is Global Maxfin Investments Inc. (“Global”), a member of the Mutual Fund Dealers Association of Canada (“MFDA”).
8. Werner Reindorf is the President and sole director of Reindorf Investments Inc. (collectively “Reindorf ”), a dealer registered with the Commission in the category of limited market dealer.

Conduct of the Respondents

(a) Fulcrum

9. Van Dyk, Rogers and other employees or agents of Fulcrum have been trading the following securities (collectively, the “Subject Securities”):

- (i) Secured Life Notes, a combination of promissory notes and shares of Secured Life, the subscription agreement for which purports to provide an annual return of 10% for 10 years;
- (ii) convertible debentures in Zephyr, the subscription agreement for which purports to provide an annual return of up to 10.25%;
- (iii) common shares in the operating business of Fulcrum.

10. The trades of the Subject Securities are trades of securities not previously issued, and are therefore distributions. No prospectus receipt has been issued in respect of the Subject Securities.

11. Van Dyk and Rogers have made misleading representations to investors regarding the Subject Securities including representations regarding their future listing and future value.

(b) Reindorf

12. Reindorf conducted sales of the Subject Securities on behalf of Fulcrum representatives who were not registered with the Commission. Reindorf also sold the Subject Securities directly to investors. In respect of certain sales of the Subject Securities by Fulcrum and by Reindorf, Reindorf:

- (i) failed to ensure that a prospectus exemption was available in respect of sales to accredited investors in circumstances when further inquiry by Reindorf was appropriate and necessary.
- (ii) failed to ensure that investors received accurate information about the amount of sales commissions that persons selling the Subject Securities would receive.
- (iii) failed to provide investors with a written confirmation of sales transactions.

(c) Dziadecki

13. Dziadecki sold Zephyr convertible debentures to investors. Dziadecki failed to inform Global that he was selling the Zephyr convertible debentures, which were sold without Global's knowledge or approval. Furthermore, Dziadecki failed to ensure that certain purchasers of Zephyr convertible debentures received accurate information regarding the amount of sales commissions that Dziadecki would receive from Zephyr.

(d) Zephyr

14. In respect of certain sales of Zephyr convertible debentures, Zephyr:

- (i) failed to ensure that that a prospectus exemption was available in respect of sales to accredited investors in circumstances when further inquiry by Zephyr was appropriate and necessary.
- (ii) provided to certain investors inaccurate information regarding the amount of sales commissions that would be paid to persons selling Zephyr convertible debentures.

Conduct Contrary to the Public Interest

(a) Fulcrum

15. Fulcrum and its representatives, which include Van Dyk and Rogers, have made misleading representations to investors, including representations regarding the future listing and future value of the Subject Securities, contrary to s. 38 of the *Securities Act* and contrary to the public interest.

16. Fulcrum and its representatives, which include Van Dyk and Rogers, purport to rely on the registration and prospectus exemptions contained in OSC Rule 45-501 in circumstances where the exemptions contained therein are not available.

17. Fulcrum and its representatives are not registered to trade the Subject Securities, contrary to s.25 of the *Securities Act* and contrary to the public interest.

18. No prospectus receipt has been issued to qualify the sale of the Subject Securities, contrary to s.53 of the *Securities Act* and contrary to the public interest.

19. As President and sole Director of Fulcrum, Van Dyk has authorized, permitted or acquiesced in the breach of s.25, s.38 and s.53 of the *Securities Act* by Fulcrum and its representatives and has engaged in conduct contrary to the public interest.

(b) Reindorf

20. Reindorf sold the Subject Securities to investors and also conducted sales of the Subject Securities on behalf of unregistered Fulcrum representatives. This conduct was in breach of Reindorf's obligations pursuant to s. 36(1) of the *Securities Act*, OSC Rule 31-505, and OSC Rule 45-501, was contrary to Reindorf's obligations as a limited market dealer under Ontario securities law and constitutes conduct contrary the public interest.

(c) Dziadecki

21. Dziadecki sold Zephyr convertible debentures and accepted commission payments from Zephyr without Global's knowledge or approval. This conduct is contrary to Dziadecki's obligations pursuant to MFDA rule 1.1.5(g) and (h) and OSC Rule 31-505, and constitutes conduct contrary to the public interest.

(d) Zephyr

22. In respect of certain sales of its convertible debentures, Zephyr failed to ensure that that a prospectus exemption was available in respect of sales to accredited investors in circumstances when further inquiry by Zephyr was appropriate and necessary, contrary to Zephyr's obligations pursuant to OSC Rule 45-501. This constitutes conduct contrary to the public interest.

23. In respect of certain sales of its convertible debentures, Zephyr provided to certain investors inaccurate information regarding the amount of sales commissions that would be paid to persons selling Zephyr convertible debentures. This conduct constitutes conduct contrary to the public interest.

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

Dated at Toronto this 16th day of February, 2006.