



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
SUZANNE MORRISON**

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

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

The Respondent

1. Suzanne Morrison (“Morrison”) is the President, Chief Financial Officer and a director of Momentas Realty Corp. (“Momentas Realty”), an Ontario issuer with its head office in Toronto. Morrison is not registered in any capacity with the Ontario Securities Commission (the “Commission”).

Prior Cease Trade Order

2. Commencing in or around July 2003, prior to the incorporation of Momentas Realty, Morrison became involved in the operation of Momentas Corporation, a predecessor company and 48% shareholder of Momentas Realty.
3. Morrison holds the same positions with Momentas Corporation as she does with Momentas Realty.
4. Between July 2003 and June 2005, Momentas Corporation sold convertible debentures of Momentas Corporation (the “Momentas Corporation Convertible Debentures”) to residents

of Ontario, British Columbia and Alberta. In selling its securities without a prospectus and without registration, Momentas Corporation purportedly relied upon the former OSC Rule 45-501 (now “National Instrument 45-106”).

5. Since June 2005, Morrison and others, including Momentas Corporation, have been prohibited from trading as a result of temporary orders imposed and extended by the Commission (the “Temporary Cease Trade Orders”) in proceedings commenced pursuant to section 127 of the *Securities Act*, R.S.O. c.S.5, as amended (the “Act”) in respect of the sale of Momentas Corporation Convertible Debentures (the “Momentas Corporation Commission Proceedings”).
6. On July 14, 2005, the Commission held a hearing to determine whether it was in the public interest to extend the Temporary Cease Trade Orders against Momentas Corporation until the conclusion of the hearing in the Momentas Corporation Commission Proceedings. At that time, the Commission concluded that Momentas Corporation “had been acting as a market intermediary and distributing securities without being registered”.
7. The panel extended the Temporary Cease Trade Orders against Momentas until the conclusion of the hearing in the Momentas Corporation Commission Proceedings, or the date upon which Momentas Corporation becomes registered as a limited market dealer and its officers, directors and/or employees involved in the sale of securities to the public become registered in accordance with Ontario securities law.
8. Neither Momentas Corporation nor any of its officers, directors and/or employees, including Morrison, sought or obtained such registration.

Sale of Momentas Realty Securities

9. Following the Temporary Cease Trade Orders, Momentas Realty began selling convertible debentures of Momentas Realty (the “Momentas Realty Convertible Debentures”) pursuant to an offering memorandum dated May 1, 2005 (the “Offering Memorandum”).

10. Momentas Realty states in its Offering Memorandum that it intends to raise \$70,000,000 in aggregate proceeds from the sale of Momentas Realty Convertible Debentures for its stated business of “real estate development and investment”.
11. To date, Momentas Realty has raised approximately \$3 million through the sale of Momentas Realty Convertible Debentures to residents of Ontario, British Columbia, Alberta and Nova Scotia. Of this amount, approximately \$1.6 million has been raised from residents of Ontario in purported reliance upon National Instrument 45-106.
12. By her activities relating to the sale of the Momentas Realty Convertible Debentures, Morrison has carried out acts in furtherance of trades in securities of Momentas Realty without being registered in accordance with section 25 of the Act and has breached the Temporary Cease Trade Orders.
13. As an officer and director of Momentas Realty, Morrison has authorized, permitted or acquiesced in breaches of the Act by Momentas Realty with respect to the sale of Momentas Realty Convertible Debentures described above.

Conduct Contrary to the Public Interest

14. The conduct of the Respondent contravened Ontario securities law and was contrary to the public interest.
15. Staff reserve the right to make such further and other allegations as Staff may submit and the Commission may permit.

DATED AT TORONTO this 31st day of March 2006.