

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

- AND -

**IN THE MATTER OF
UNIVERSAL SETTLEMENTS INTERNATIONAL INC.**

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

Staff of the Ontario Securities Commission make the following allegations:

1. Universal Settlements International Inc. (“USI”) is a company which was incorporated under the laws of Ontario in April 1997. USI’s head office is in Waterloo, Ontario.
2. Since at least 1999, USI has carried on the business of trading in viatical settlements to investors in Ontario, other parts of Canada and abroad. Each viatical settlement traded by USI is a “security” as defined in section 1(1)(n) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
3. During the material time, USI was not registered with the Commission in any capacity. The registration exemptions in the Act were unavailable to USI.
4. During the material time, USI engaged in trading in securities without registration and without an exemption to the requirement for registration. Accordingly, USI breached section 25 of the Act.
5. During the material time, USI distributed securities without filing a preliminary prospectus and a prospectus, and obtaining receipt therefor from the Director and without

an exemption to the prospectus requirement. Accordingly, USI breached section 53 of the Act.

6. USI has violated Ontario securities law and engaged in conduct contrary to the public interest.

DATED AT TORONTO this 24th day of May, 2006.