

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

– AND –

**IN THE MATTER OF
LAND BANC OF CANADA INC., LBC MIDLAND CORPORATION,
FRESNO SECURITIES INC., RICHARD JASON DOLAN,
MARCO LORENTI AND STEPHEN ZEFF FREEDMAN**

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

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

The Respondents

1. Land Banc of Canada Inc. ("LBC") is an Ontario Corporation with offices in Concord, Ontario. It is not registered in any capacity with the Ontario Securities Commission (the "Commission") nor is it a reporting issuer in Ontario;
2. LBC I Midland Corp. ("Midland") is an Ontario Corporation with offices in Markham, Ontario. It is not registered in any capacity with the Commission nor is it a reporting issuer in Ontario;
3. Richard Jason Dolan ("Dolan") is the President and CEO of both LBC and Midland. Marco Lorenti ("Lorenti") is the Vice-President and Secretary of LBC. Neither Dolan nor Lorenti is registered in any capacity with the Commission. Dolan and Lorenti are the directing minds of LBC and Midland;
4. Fresno Securities Inc. ("Fresno") is a Limited Market Dealer registered in Ontario with its office in Toronto, Ontario. Stephen Zeff Freedman ("Freedman") is a Limited Market Dealer registered in Ontario and is the President and sole employee of Fresno.
5. On February 9, 2007, a transaction closed in which LBC sold \$4,300,000 Class B non-voting common shares of Midland (the "Shares") to members of the public.
6. LBC, Midland, Dolan and Lorenti represented to Staff that these shares were being sold to the public via Fresno in reliance upon the accredited investor exemption set out in NI 45-106 (the "AI Exemption").

7. The Shares were sold to members of the public who did not qualify for the AI Exemption. Further, a number of the shareholders never had any contact with Fresno or Freeman but purchased the Shares through unregistered parties.
8. Dolan and Lorenti and persons at LBC and Midland under their direction were acting as market intermediaries without being registered pursuant to the Securities Act, R.S.O. 1990, c. S.5, as amended (the "*Act*").
9. Accordingly, LBC, Midland, Dolan and Lorenti have engaged in conduct which constitutes trading in securities without being registered in accordance with section 25(1)(a) of the *Act* by carrying out acts directly or indirectly in furtherance of trades of the Shares.
10. Fresno and Freeman have assisted in the sale of the Shares in contravention of the registration requirements of s.25(1)(a) *Act*.
11. By selling the Shares in violation of the prospectus requirements of the Act and without a valid exemption under the Act, LBC, Midland, Fresno, Dolan, Lorenti and Freedman (the "Respondents") participated in or assisted an illegal distribution of securities in contravention of section 53 of the *Act*.

Conduct Contrary to the Public Interest

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

DATED AT TORONTO this 1st day of May, 2007.