



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
IMAGIN DIAGNOSTIC CENTRES INC., PATRICK J. ROONEY, CYNTHIA JORDAN,
ALLAN McCAFFREY, MICHAEL SHUMACHER, CHRISTOPHER SMITH,
MELVYN HARRIS and MICHAEL ZELYONY**

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

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

The Respondents

1. Imagin Diagnostic Centres Inc. (“Imagin”) is a corporation incorporated pursuant to the laws of Canada with its head office previously located in Toronto, Ontario.
2. Patrick J. Rooney (“Rooney”) was a Managing Director of Corporate Development of Imagin and is currently held out to be its Chief Executive Officer. At all material times, Rooney has been the directing mind of Imagin.
3. Cynthia Jordan (“Jordan”) was the President, Chief Executive Officer, Treasurer and a Director of Imagin and is the spouse of Rooney.
4. Michael Shumacher (“Shumacher”) was held out as the Supervisor of the “Shareholder Relations and Patient Acquisition Department” at Imagin. Shumacher sold Imagin securities and supervised Imagin employees who were also engaged in the sale of these securities.

5. Christopher Smith (“Smith”), Melvyn Harris (“Harris”) and Michael Zelyony (“Zelyony”), were held out as Managing Directors of Corporate Development of Imagin and sold Imagin securities.
6. Allan McCaffrey (“McCaffrey”) was the Executive Director of Corporate Development of Imagin and supervised the employees in this group including Shumacher, Smith, Harris, and Zelyony.

Actions of the Respondents

7. Imagin started selling its securities in 2003 and as of July 13, 2006, Imagin had raised \$14 million of which approximately \$3.5 million was from Ontario investors. These securities have not been qualified by a prospectus filed with the Commission.
8. Imagin is not registered in any capacity with this Commission nor is it a reporting issuer in Ontario.
9. During the material time period, neither Rooney, Jordan, McCaffrey, Shumacher, Smith, Harris nor Zelyony were registered in any capacity with this Commission.
10. Prior to February of 2006, it appears that a large percentage of its staff in Toronto was primarily employed by Imagin to assist in the sales of its securities to investors both inside and outside of Ontario.
11. After February of 2006, Imagin continued to employ persons in Toronto to contact or “qualify” potential investors and any sales leads gathered were then forwarded to Vancouver, British Columbia for further sales action by Imagin. The head office of Imagin also relocated to Vancouver in February of 2006.

12. Imagin presently lists its “Administrative Offices” as located at 125-720 King St. W., #309, Toronto, Ontario.
13. Through these acts, Imagin has been engaging in the business of trading its securities in Ontario. Accordingly, it has been acting as a market intermediary and was required to be registered pursuant to section 25 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
14. At all material times, Rooney controlled Imagin and oversaw the sales of its securities by its employees including McCaffrey, Shumacher, Smith, Harris, Zelyony and other members of the Corporate Development group.
15. By carrying out acts directly or indirectly in furtherance of trades of Imagin securities, Rooney, McCaffrey, Shumacher, Smith, Harris and Zelyony have been engaged in conduct which constituted “trading” in securities without being registered in accordance with section 25(1)(a) of the *Act*.
16. As an officer and director of Imagin, Jordan authorized, permitted or acquiesced in the Imagin conduct as described above.

Conduct Contrary to the Securities Act and the Public Interest

17. By trading in securities without registration, the actions of Imagin, Rooney, Jordan, McCaffrey, Shumacher, Smith, Harris and Zelyony were contrary to s.25 of the *Act* and to the public interest.
18. Staff reserve the right to make such further and other allegations as Staff may submit and the Commission may permit.

DATED AT TORONTO this 27th day of September 2007