



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
GLOBAL ENERGY GROUP, LTD., NEW GOLD LIMITED PARTNERSHIPS,
CHRISTINA HARPER, VADIM TSATSKIN, MICHAEL SCHAUER, ELLIOT
FEDER, ODED PASTERNAK, ALAN SILVERSTEIN, HERBERT GROBERMAN,
ALLAN WALKER, PETER ROBINSON, VYACHESLAV BRIKMAN,
NIKOLA BAJOVSKI, BRUCE COHEN and ANDREW SHIFF**

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

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

I. OVERVIEW

1. This proceeding involves the distribution of securities consisting of units of series of New Gold Limited Partnerships (“New Gold”), to members of the public by Global Energy Group, Ltd (“Global Energy”) and persons related to Global Energy.
2. Staff allege that the course of conduct regarding the trading of the securities of New Gold occurred during the period from approximately June of 2007 up to and including June 25, 2008 (the “Material Time”).
3. Approximately \$14.75 million (U.S.) was raised from the sale of the securities of New Gold to approximately 200 investors (the “New Gold Investors”) as a result of the activities salespersons, representatives or agents of Global Energy.

4. The sale of the New Gold securities has also been the subject of an investigation by the United States Attorney General and securities regulatory authorities in the State of Kentucky.

II. GLOBAL ENERGY and NEW GOLD

5. Neither Global Energy nor New Gold has never been registered with the Ontario Securities Commission (the “Commission”) in any capacity.
6. Global Energy was purportedly based in and an operated from the Bahamas. The partnerships underlying the securities of New Gold were purportedly registered in Kentucky and/or the Bahamas.
7. The primary business of Global Energy was selling the securities of New Gold through its salespersons operating from offices in the Toronto area (the “Ontario Offices”).
8. The other operating office of Global Energy was located in Lexington, Kentucky and operated by a lawyer named Bryan Coffman (“Coffman”).

III. THE INDIVIDUAL RESPONDENTS

9. Christina Harper (“Harper”) is a resident of Ontario. During the Material Time, Harper was one of the directing minds of Global Energy, overseeing the salespersons, representatives or agents of Global Energy selling the securities of New Gold from the Ontario Offices. Using an alias, Harper also held herself out as an officer of Global Energy.
10. Vadim Tsatskin (“Tsatskin”) is a resident of Ontario. During the Material Time, Tsatskin was one of the directing minds of Global Energy who also directed the sales of the New Gold securities from the Ontario Office. Tsatskin, Coffman and others created the securities of New Gold for sale to members of the public.

11. Michael Schaumer (“Schaumer”), Elliot Feder (“Feder”), Oded Pasternak (“Pasternak”), Alan Silverstein (“Silverstein”), Herbert Groberman (“Groberman”), Allan Walker (“Walker”), Peter Robinson (“Robinson”), Vyacheslav Brikman (“Brikman”), Nikola Bajovski (“Bajovski”), Bruce Cohen (“Cohen”) and Andrew Shiff (“Shiff”) were all residents of Ontario during the Material Time.
12. During the Material Time, Schaumer, Feder, Pasternak, Silverstein, Groberman, Walker, Robinson, Brikman, Bajovski, Cohen and Shiff all worked at the Ontario Offices and all sold securities of New Gold to members of the public.
13. During the Material Time, Harper, Tsatskin, Schaumer, Feder, Pasternak, Silverstein, Groberman, Walker, Robinson, Brikman, Bajovski, Cohen and Shiff (the “Individual Respondents”) were not registered with the Commission in any capacity to trade securities.

IV. BREACHES OF THE ACT BY THE RESPONDENTS

- **Unregistered Trading in Securities of New Gold Contrary to Section 25(1)**

14. As set out above, Staff allege that the Respondents traded in securities of New Gold from the Ontario Offices during the Material Time.
15. Members of public in Canada were contacted by salespersons, agents and representatives of Global Energy from the Ontario Offices and solicited to purchase the securities of New Gold.
16. The actions of the Respondents related to the securities of New Gold constituted trading in securities without registration contrary to section 25(1) of the Securities Act, R.S.O. 1990, c. S. 5, as amended (the “Act”).

- **Illegal Distribution of the Securities of New Gold Contrary to Section 53(1)**

17. New Gold has never filed a prospectus or a preliminary prospectus with the Commission or obtained receipts for them from the Director as required by section 53(1) of the Act.
18. The trading in securities of New Gold as set out above constituted distributions of these securities by the Respondents in circumstances where there were no exemptions available to them under the Act contrary to section 53(1) of the Act.

- **Fraudulent Conduct Related to Trading in the Securities of New Gold Contrary to Section 126.1**

19. During the Material Time from the Ontario Offices, Global Energy, Harper, Tsatskin, Schaumer and Feder and other representatives or agents of Global Energy provided information to the New Gold Investors that was false, inaccurate and misleading, including, but not limited to, the following:
 - a) the use of the New Gold Investor funds;
 - b) the law governing the trading in the securities of New Gold;
 - c) the source of the investment income produced by the securities of New Gold;
 - d) the actual ownership and location of Global Energy and the sales offices of Global Energy;
 - e) the registration of the partnerships underlying the securities of New Gold;
 - f) the underlying assets of the securities of New Gold; and
 - g) the estimated production figures of the alleged assets of the securities of New Gold.

These and other false, inaccurate, misleading representations and omissions were made by the Respondents with the intention of effecting trades in the securities of New Gold.

20. The salespersons, representatives and agents of Global Energy, including, but not limited to, Harper, Schaumer, Feder, Pasternak, Silverstein, Groberman, Walker, Robinson, Brikman, Bajovski, Cohen and Shiff used aliases when selling the securities of New Gold to members of the public.
21. The directing minds of Global Energy knew or ought to have known that aliases were being used when the securities of New Gold were sold to members of the public by the salespersons, representatives or agents of Global Energy.
22. Approximately \$3 million of the total funds raised through the sale of the securities of New Gold were paid out to the salespersons, representatives or agents of Global Energy located in Toronto including the Individual Respondents. The New Gold Investors were not informed of this fact.
23. Global Energy, Harper, Tsatskin, Schaumer and Feder as well as and other salespersons, representatives or agents of Global Energy engaged in a course of conduct relating to securities that they knew or reasonably ought to have known would result in a fraud on persons purchasing the securities of New Gold contrary to section 126.1 of the Act.

V. Conduct Contrary to Ontario Securities Law and Contrary to the Public Interest

24. The specific allegations advanced by Staff related to the trades in the securities of New Gold during the Material Time are as follows:
 - (a) the Respondents traded in securities of New Gold without being registered to trade in securities, contrary to section 25(1)(a) of the Act and contrary to the public interest;
 - (b) the actions of the Respondents related to the sale of the securities of New Gold constituted distributions of securities where no preliminary

prospectus and prospectus were issued nor received by the Director, contrary to section 53(1) of the Act and contrary to the public interest;

- (c) Global Energy, Harper, Tsatskin, Schaumer and Feder engaged or participated in acts, practices or courses of conduct relating to the securities of New Gold that Global Energy, Harper, Tsatskin, Schaumer and Feder knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest; and
 - (d) Harper and Tsatskin, being directors and/or officers of Global, did authorize, permit or acquiesce in the commission of the violations of sections 25(1)(a), 53(1) and 126.1(b) of the Act, as set out above, by Global Energy or by the salespersons, representatives or agents of Global Energy, contrary to section 129.2 of the Act and contrary to the public interest.
25. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, June 8, 2010.