



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 -**

**TBS NEW MEDIA INC., TBS NEW MEDIA PLC, CNF FOOD CORP., CNF CANDY  
CORP., ARI JONATHAN FIRESTONE and MARK GREEN**

**The Respondents**

**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 unregistered trading and illegal distribution of securities of CNF Candy Corp. (“CNF Candy”) and CNF Food Corp. (“CNF Food”) to shareholders of TBS New Media Inc. (“TBS New Media”), a company incorporated in Ontario, and TBS New Media PLC (“TBS PLC”), a company created pursuant to the laws of the United Kingdom.
2. Between 2004 and 2008, securities in TBS New Media and TBS PLC (collectively “TBS”) were distributed to investors in Ontario and throughout Canada purportedly pursuant to a private placement. Some of the persons who originally acquired securities of TBS New Media were asked to return these securities in exchange for securities of TBS PLC.
3. In 2009 and 2010, TBS investors in Canada were then solicited to exchange their shares in TBS for securities in CNF Candy and/or CNF Food. TBS shareholders wishing to acquire securities of CNF Candy and/or CNF Food (collectively “CNF”) were also required to provide additional funds.

4. From September of 2009 until March of 2010 (the “Material Time”), TBS investors sent approximately \$97,887.00 to a bank account in Toronto, Ontario in the name of CNF Food (the “CNF Account”) in order to acquire CNF securities.
5. Ari Jonathan Firestone (“Firestone”) was at all material times the sole directing mind of TBS and CNF. Firestone was the sole signatory on the CNF Account.
6. These solicitations to TBS shareholders were made by a person using the name Mark Green (“Green”) under the direction and supervision of Firestone.

## **II. THE CORPORATE RESPONDENTS**

7. TBS New Media was originally incorporated in the Province of Ontario on January 30, 1995 under the name Telxl Inc. and changed its name to TBS New Media Ltd. on September 29, 2004. During the Material Time, the registered office of TBS New Media was located in Ontario.
8. TBS PLC was a company governed by the laws of the United Kingdom which was created as a result of a change of name made on January 30, 2008. TBS PLC was previously called Bobcat PLC which incorporated under the *Companies Act 1985* on June 14, 2006.
9. Neither TBS New Media nor TBS PLC have ever been registered with the Ontario Securities Commission (the “Commission”) in any capacity.
10. CNF Candy was incorporated pursuant to the laws of Canada on May 3, 2007. CNF Candy changed its name to CNF Food on November 21, 2007. CNF Candy was again incorporated on December 5, 2007. During the Material Time, the registered office of CNF Candy was located in Ontario.

11. CNF Food was dissolved under section 212 of the *Canada Business Corporations Act* on March 2, 2010. During the Material Time, the registered office of CNF Food was located in Ontario.
12. CNF Candy and CNF Food have never been registered in any capacity with the Commission.

### **III. THE INDIVIDUAL RESPONDENTS**

13. Firestone is a resident of Ontario. At all times, he was the directing mind of TBS New Media, TBS PLC, CNF Candy and CNF Food.
14. Firestone was last registered in any capacity with the Commission on July 25, 2000 and has not been registered in any capacity since that date.
15. According to Firestone, Green was the investor relations representative for CNF and solicited TBS investors to acquire CNF securities during the Material Time from the offices of CNF in Ontario.
16. There is no record of a person named Mark Green having ever been registered with the Commission.

### **IV. UNREGISTERED TRADING IN SECURITIES OF TBS AND CNF CONTRARY TO SECTION 25(1) OF THE ACT**

17. Staff allege that members of the public in Canada who had acquired securities of TBS were solicited by salespersons, agents and representatives of CNF to acquire securities of CNF in exchange for their existing shares of TBS and additional funds. As a result, approximately \$97,887 was raised from existing investors of TBS.

18. The actions of TBS New Media, TBS PLC, CNF Candy, CNF Food, Firestone and Green in relation to the securities of TBS and CNF constituted the trading of securities without registration contrary to section 25(1) of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the “Act”)

**V. ILLEGAL DISTRIBUTION OF SECURITIES OF CNF CONTRARY TO SECTION 53(1) OF THE ACT**

19. TBS New Media, TBS PLC, CNF Candy, and CNF Food have 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.
20. The trading of securities of CNF Candy and/or CNF Food as set out above constituted distributions of these securities by CNF Candy, CNF Food, Firestone and/or Green in circumstances where there were no exemptions available to them under the Act contrary to section 53 of the Act.

**VI. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST**

21. The specific allegations advanced by Staff related to the trades in TBS and CNF securities during the Material Time are as follows:
  - (a) TBS New Media, TBS PLC, CNF Candy, CNF Food, Firestone and Green traded in securities without being registered to trade in securities, contrary to section 25(1) of the Act and contrary to the public interest;
  - (b) The actions of CNF Food, CNF Candy, Firestone and Green related to the sale of securities of CNF Candy and CNF Food constituted distributions of securities of CNF Food and CNF Candy where no preliminary prospectus and prospectus were issued nor receipted by the Director, contrary to section 53(1) of the Act and contrary to the public interest; and

- (c) Firestone being a director and/or officer of TBS New Media, TBS PLC, CNF Candy and CNF Food did authorize, permit or acquiesce in the commission of the violations of sections 25(1) and 53(1) of the Act, as set out above, by TBS New Media, TBS PLC, CNF Candy or CNF Food or by the salespersons, representatives or agents of TBS New Media, TBS PLC, CNF Candy or CNF Food, including Green, contrary to section 129.2 of the Act and contrary to the public interest.
22. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto, September 3, 2010.