



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

- AND -

IN THE MATTER OF DAVID M. O'BRIEN

**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 alleged fraudulent acts in furtherance of a trade by David M. O'Brien ("O'Brien"). Furthermore, Staff allege that O'Brien was trading in securities or holding himself out as engaging in the business of trading in securities without being registered to do so.
2. Staff allege that O'Brien's course of conduct regarding the trading of securities occurred during the time period between and including July 1, 2009 and December 17, 2009 (the "Material Time").

II. THE RESPONDENT

3. O'Brien is a resident of Ontario.

III. BACKGROUND

4. Platinum International Investments Inc. ("Platinum") is an Ontario corporation that was incorporated on June 12, 2007 with a registered address of 4325 Steeles Avenue West, Suite 215, Toronto, Ontario.

5. Peter Robinson (“Robinson”) is listed as the sole Director of Platinum.
6. David M. O'Brien Professional Legal Corporation (“DOPLC”) is a Canadian corporation registered under the *Canada Business Corporations Act*. O'Brien is the sole registered director of DOPLC.
7. This matter is related to proceedings, initiated by Staff, against Robinson and Platinum.

IV. Trading in Securities by O'Brien, Platinum, and Robinson

8. Staff allege that O'Brien traded in securities during the Material Time.
9. Throughout the Material Time, O'Brien was not registered in any capacity with the Commission.
10. Residents of the United Kingdom (the “U.K. Residents”) received unsolicited phone calls from representatives of Platinum, including O'Brien, and were told that Platinum could sell securities held by the U.K. Residents on behalf of the U.K. Residents.
11. The representatives of Platinum, including O'Brien, told the U.K. Residents that they would be able to obtain significant amounts of money for the U.K. Residents when Platinum arranged for the sale of the securities in question.
12. The U.K. Residents were then told that they would have to pay “performance bonds” and “non-resident taxes” to Platinum before Platinum could complete the sale of the securities.
13. The U.K. Residents were given instructions to send their funds for the “performance bonds” and the “non-resident taxes” to a bank account held in the name of Platinum and located in Toronto at the Royal Bank of Canada (the “Platinum RBC Accounts”).
14. The U.K. Residents sent their “performance bond” and “non-resident tax” funds via wire transfer to the Platinum RBC Accounts.

15. The U.K. Residents were subsequently approached and advised they would have to pay further fees so that the transactions could proceed. When the U.K. Residents refused to send further funds to the Platinum RBC Accounts they stopped receiving communications from representatives of Platinum.
16. None of the transactions for which the U.K. Residents wired funds to the Platinum RBC Accounts have been completed. At least one of the U.K. Residents has been unable to contact Platinum since the Material Time.
17. Platinum also had a bank account at TD Canada Trust (the “Platinum TD Account”).
18. During the Material Time, approximately \$118,667 was paid directly to DOPLC from the Platinum RBC Accounts and the Platinum TD Account.
19. O’Brien participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of securities for valuable consideration, in circumstances where there were no exemptions available to O’Brien under Act.

V. Fraudulent Conduct

20. During the Material Time, O’Brien and other employees, representatives or agents of Platinum provided information to the U.K. Residents that was false, inaccurate and misleading, including, but not limited to, the following:
 - (a) that Platinum could sell securities held by the U.K. Residents for significant premiums over the current market value of the securities;
 - (b) that Platinum had received funds from the purported purchasers of the securities held by the U.K. Residents and that these funds were being held under “escrow conditions”;
 - (c) that within seven business days of the U.K. Residents providing a “performance bond” they would receive all of the funds for the sale of their securities;

- (d) that certain U.K. Residents were offered a five percent discount on a “non-resident tax” because the U.K. Residents were over sixty-five years old; and
 - (e) one of the U.K. Residents was provided with an address that did not correspond with Platinum’s registered address and was, in fact, a United Parcel Service store; and
 - (f) telephone numbers provided to the U.K. Residents were registered as cellular phones from addresses in the State of Florida, United States.
21. The false, inaccurate and misleading representations were made with the purported intention of effecting trades in the securities belonging to the U.K. Residents.
22. Once funds were wire transferred from the U.K. Residents to the Platinum RBC Accounts the funds were almost immediately withdrawn as cash or cheques. Approximately 82% of the funds received from the U.K. Residents were paid to DOPLC.
23. O’Brien and other employees, representatives or agents of Platinum 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.

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

24. The specific allegations advanced by Staff are:
- (a) During the Material Time, O’Brien engaged or participated in acts, practices or courses of conduct relating to securities that he 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
 - (b) During the Material Time, O’Brien traded in securities or held himself out as engaging in the business of trading in securities without being registered to trade in securities, contrary to section 25(1) 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, this 7th day of December, 2010.