

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

**- AND -**

**IN THE MATTER OF HILLCORP INTERNATIONAL SERVICES,  
HILLCORP WEALTH MANAGEMENT, SUNCORP HOLDINGS,  
1621852 ONTARIO LIMITED, 1694487 ONTARIO LIMITED,  
STEVEN JOHN HILL and DANNY DE MELO**

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

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

**Overview**

1. Hillcorp International Services (“Hillcorp International”), Hillcorp Wealth Management (“Hillcorp Wealth”), Suncorp Holdings, 1621852 Ontario Limited (“162 Limited”), 1694487 Ontario Limited (“169 Limited”), Steven John Hill (“Hill”) and Danny De Melo (“De Melo”) all engaged in unregistered trading and the illegal distribution of securities.
2. In July of 2009, the Commission imposed a temporary cease trading order on Hillcorp International, Hillcorp Wealth, Suncorp Holdings, 162 Limited, Hill and De Melo. Hill and De Melo, however, continued to trade in securities through Suncorp Holdings, raising a further \$1,051,000 from 22 Ontario investors. As a result, in December of 2010 and January of 2011, Hill and De Melo each entered a guilty plea to one count of breaching a Commission Order in the Ontario Court of Justice, contrary to section 122 of the *Securities Act* R.S.O. 1990 c S.5, as amended (the “*Securities Act*”).

**The Respondents**

3. 162 Limited and 169 Limited are corporations registered in the Province of Ontario.

4. Hillcorp International is a business name assigned to 162 Limited.
5. Hillcorp Wealth represented itself as a division of Hillcorp International.
6. Suncorp Holdings is a business name assigned to 169 Limited.
7. 162 Limited, 169 Limited, Hillcorp International, Hillcorp Wealth and Suncorp Holdings are not registered with the Commission in any capacity.
8. Hill and De Melo are individuals residing in Ontario. Hill and De Melo are not registered with the Commission in any capacity.

#### **Trading in Securities Through Suncorp Holdings and Breach of Commission Orders**

9. On July 21, 2009, the Commission issued a temporary order under subsections 127(1) and 127(5) of the *Securities Act* against Hillcorp International, Hillcorp Wealth, 162 Limited, Hill, De Melo and other Respondents (the “Temporary Order”).
10. The Temporary Order was obtained because Staff of the Commission (“Staff”) had received evidence that Hill, De Melo and others were trading in securities by selling investment contracts in Hillcorp International and its related entities. The Temporary Order required Hill, De Melo, Hillcorp International, Hillcorp Wealth and 162 Limited to cease trading in securities. On July 22, 2009, these Respondents were served with the Temporary Order.
11. On July 24, 2009, an Amended Temporary Order was issued by the Commission which added Suncorp Holdings as a Respondent (the “Amended Temporary Order”).
12. The Amended Temporary Order was obtained because Staff had evidence that Hillcorp International investors were being informed that Hillcorp International’s business would be transferred into a new entity named Suncorp Holdings. The Amended Temporary

Order added Suncorp Holdings to the list of persons and companies who were required to cease trading in securities. On July 28 and July 29, 2009, Hillcorp International, Hillcorp Wealth, 162 Limited, Hill, De Melo and Suncorp Holdings were served with a copy of the Amended Temporary Order.

13. The Commission convened a hearing on August 5, 2009 to consider whether to continue the Amended Temporary Order. The Commission extended the Amended Temporary Order on that date, and further extended the Amended Temporary Order at hearings held on February 5, 2010, July 9, 2010 and February 25, 2011.
14. On or between July 21 and August 31, 2009, Hill and De Melo continued to raise funds from investors by selling investment contracts in Suncorp Holdings in breach of the Amended Temporary Order. During this period, investor monies were paid into a bank account which was held in the name of 169 Limited o/a Suncorp Holdings. Hill had sole signing authority over this bank account.
15. During this period, De Melo and Hill raised a further \$1,051,000 from 22 Ontario investors in Suncorp Holdings. During this period, De Melo and Hill also distributed approximately \$70,000 in interest cheques to 18 Hillcorp International investors located in Ontario.
16. Specifically, De Melo contacted potential investors and persuaded them to invest in Suncorp Holdings. De Melo told investors that their investments would earn 50% in interest over the next 3 months. De Melo accepted the investment funds of the 22 investors.
17. Hill incorporated 169 Limited and later registered its business name "Suncorp Holdings". Hill is the sole officer and director of 169 Limited o/a Suncorp Holdings. Hill set up the Suncorp Holdings bank account which received and distributed the investors' cheques. Hill had sole signing authority over the Suncorp Holdings bank account. Hill deposited the incoming cheques of the Suncorp investors and signed the outgoing cheques to the Hillcorp International investors.

18. The conduct outlined above constituted trading in securities without registration contrary to section 25 of the *Securities Act* and also constituted a distribution of securities without a prospectus contrary to section 53 of the *Securities Act*. In addition, this conduct constituted a violation of the Temporary Order and the Amended Temporary Order.

#### **Convictions Before the Ontario Court of Justice**

19. On December 1, 2010, De Melo appeared before Regional Senior Justice Bigelow of the Ontario Court of Justice and entered a plea of guilty to one count of breaching an Order of the Commission based on the facts outlined in paragraphs 9 to 17 above, contrary to section 122 of the *Securities Act*.
20. On January 7, 2011, Hill appeared before Regional Senior Justice Bigelow of the Ontario Court of Justice and entered a plea of guilty to one count of breaching an Order of the Commission based on the facts outlined in paragraphs 9 to 17 above, contrary to section 122 of the *Securities Act*.
21. On April 18, 2011 Regional Senior Justice Bigelow sentenced each of Hill and De Melo to a term of imprisonment of 90 days, to a period of probation for a further 12 months, to perform 100 hours of community service, and he imposed a restitution order totaling \$993,089.67 in favour of the 22 Suncorp investors.
22. As a result of these convictions, the Commission may make orders against the Respondents pursuant to subsection 127(10) of the *Securities Act*.

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

23. Staff allege that the conduct set out above of 162 Limited, 169 Limited, Hillcorp International, Hillcorp Wealth, Suncorp Holdings, Hill and De Melo violated Ontario securities law as specified and constituted conduct contrary to the public interest.
  
24. Staff reserve the right to make such other allegations as they may advise and the Commission may permit.

**DATED** at Toronto this 21st day of June, 2011