



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

**- AND -**

**IN THE MATTER OF MOHINDER AHLUWALIA**

**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 The Electrolinks Corporation (“Electrolinks”) by Mohinder Ahluwalia (“Mohinder”).
2. Electrolinks was incorporated in 2004 for the purpose of acquiring Q2 Media Inc. (“Q2 Media”) - a privately held corporation that was involved in the development of broadband over powerline communications (“BPL”) solutions - and financing the expansion of Q2 Media’s business.
3. Electrolinks was marketed as “...the leading powerline communications solutions application developer...” and purported to have rights in Canada to “the only commercially ready technology” to transmit data (both internet and voice) over existing electrical power lines, called “Power Line Communications” (“PLC”).
4. From approximately June 2004 to June 2007 (the “Material Time”), Mohinder engaged in or held himself out as engaging in the business of trading in securities and Mohinder, directly and/or through representatives, sold Electrolinks shares to members of the public in Ontario and other jurisdictions.
5. MBS Group was a company started by brothers Mohinder and Balbir Ahluwalia.

6. According to an agreement dated April 12, 2004, Electrolinks engaged MBS Group as a consultant in connection with the “private offering of shares” of Electrolinks.
7. During the Material Time, the primary function of MBS Group was to sell shares in Electrolinks.
8. During the Material Time, over 89 investors in Ontario and other jurisdictions paid over \$1.5 million into accounts in the name of MBS Group for the purpose of acquiring shares in Electrolinks.
9. During the Material Time, Mohinder directly and/or through representatives, sold Electrolinks shares to investors in Ontario and other jurisdictions and raised over \$650,000 from these sales.
10. During the Material Time, Electrolinks was not a reporting issuer and the Electrolinks securities were not qualified by a prospectus.
11. Neither MBS Group nor Mohinder Ahluwalia were ever registered in any capacity with the Ontario Securities Commission (the “Commission”).

## **II. THE RESPONDENTS**

12. Mohinder Singh Ahluwalia is a resident of Ontario.
13. Mohinder has never been registered with the Commission in any capacity

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

14. Staff allege that Mohinder engaged in or held himself out as engaging in the business of trading in securities of Electrolinks.

15. During the Material Time, Mohinder, directly and/or through representatives, sold shares in Electrolinks to members of the public in Ontario and other jurisdictions.
16. The actions of Mohinder in relation to the shares of Electrolinks 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 ELECTROLINKS CONTRARY TO SECTION 53(1) OF THE ACT**

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

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

19. The specific allegations advanced by Staff related to the trades in Electrolinks securities during the Material Time are as follows:
  - (a) Mohinder traded in securities without being registered to trade in securities, contrary to section 25(1) of the Act and contrary to the public interest; and
  - (b) The actions of Mohinder related to the sale of securities of Electrolinks constituted distributions of securities of Electrolinks where no preliminary prospectus and prospectus were filed nor receipted by the Director, contrary to section 53(1) of the Act and contrary to the public interest.

20. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto, September 21, 2012.