



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 STEPHEN CAMPBELL**

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

**STAFF OF THE ONTARIO SECURITIES COMMISSION MAKE THE FOLLOWING  
ALLEGATIONS:**

1. Between January 1, 2010 and December 31, 2011 (the “Material Time”), Stephen Campbell (the “Respondent”) knowingly executed trades in the class A common shares and 8.75% convertible debentures of Discovery Air Inc. (the “Subject Securities”) where:
  - a. he had knowledge of and/or control over another order on the opposite side of the market with substantially the same terms and conditions (price, size and time of entry) and used that knowledge and/or control to match orders (“Match Trades”); and at other times
  - b. he knew or reasonably ought to have known that his order entry would result in trades involving no change in beneficial or economic ownership (“Wash Trades”).
2. Also during the Material Time, the Respondent sometimes executed trades with third parties at better prices in the marketplace in order to enable Match Trades and/or Wash Trades (“Facilitation Trades”).
3. The Respondent was aware throughout the Material Time that Match Trades and Wash Trades are prohibited by Ontario securities law. During the Material Time the Respondent executed Facilitation Trades without regard to whether such trades are prohibited by Ontario securities law.
4. The Respondent was aware throughout the Material Time that the volume from all of his trading, including his Match Trades, Wash Trades and Facilitation Trades, would be and was included in and reported as part of the daily volume for the Subject Securities.

5. The Respondent's activities regarding Wash Trades, Match Trades and Facilitation Trades were contrary to subsection 126.1(a) of the *Securities Act* in that they created a misleading appearance of trading activity in the Subject Securities.

DATED at Toronto this 26<sup>th</sup> day of March, 2013