



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
VINCENZO (VINCENT) SIRIANNI**

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

Staff of the Ontario Securities Commission (“Staff”) allege:

I. OVERVIEW

1. In November 2011, Vincenzo (Vincent) Sirianni (“Sirianni”) entered into a Statement of Admissions and Joint Recommendation as to Sanction with the Alberta Securities Commission (“ASC”) (the “Statement of Admissions”).
2. Sirianni is subject to an order made by the ASC dated December 8, 2011 (the “ASC Order”) that imposes sanctions, conditions, restrictions or requirements upon him.
3. The conduct for which Sirianni was sanctioned occurred between July and December 2010.
4. Sirianni is a resident of Calgary, Alberta.

II. FACTS AGREED TO BY SIRIANNI

5. In the Statement of Admissions, the following facts were agreed to by Sirianni:

- a. Sirianni was, at all material times, the sole guiding mind of Explora Energy Inc. (“Explora”), the trade name Sirianni registered and used to describe a purported private corporation he claimed carried on business as an oil and gas production company.
- b. Sirianni held out Explora variously as a corporation, a limited liability partnership and a limited liability corporation. Sirianni held himself out as Explora's sole owner and director, as well as its President.

Circumstances

- c. Between July and December 2010, Sirianni raised \$60,000-\$80,000 by distributing securities in a non-existent entity, Explora, to at least 12 Alberta investors.
- d. No prospectus was filed with the Commission's Executive Director in respect of any securities of Explora.
- e. The distributions of Explora’s securities were made by Sirianni in purported reliance on the “private issuer” and the “family, friends, and business associates” exemptions contained in National Instrument 45-106 (*Prospectus and Registration Exemptions*). No attempt was made by Sirianni, however, to qualify investors for any exemption, and the investors failed to qualify for them.
- f. In soliciting investment in Explora, Sirianni made statements to potential investors that he knew were materially misleading or untrue, including that:
 - i. Explora was an existing corporation, limited liability partnership, or limited liability corporation - a separate entity in which securities would be distributed - when it was not;

- ii. Explora owned both producing and non-producing oil and gas assets, when it owned none whatsoever;
 - iii. Explora had a strong financial position and a positive cash flow, and investors would receive monthly dividend payments, all of which was untrue;
 - iv. Sirianni had education credentials (an MBA and a BA), as well as other experience, that he did not have;
 - v. Sirianni had engaged two advisors for Explora, both with oil and gas industry experience (of which Sirianni had none), when neither had agreed to act as an advisor or permit their name to be used in that manner; and
 - vi. Investors' money would be used in relation to the oil and gas assets already owned, or to purchase further oil and gas assets for Explora, which was untrue.
- g. Sirianni oversaw the capital-raising activities of Explora. He prepared the promotional materials and subscription agreements, disseminated information to investors directly in some cases and managed investors' funds.
- h. Sirianni also engaged one salesperson to sell the securities in Explora, but he made the same misrepresentations to the salesperson as he made to potential investors. Sirianni, therefore, authorized or permitted the conduct of that salesperson, including any statements made and materials distributed to investors by that salesperson, and Sirianni is, therefore, responsible for the false information passed along to potential investors.
- i. Sirianni used the funds raised for undisclosed, improper purposes. Most investors lost their entire investment and received no return on their investment from Sirianni.

- j. Sirianni's deceit, outlined above, was done knowingly, and his misconduct caused actual loss to investors, or in some instances placed their financial interests at risk. Sirianni knew his misconduct could have such a consequence.

The ASC Order

6. In its Order dated December 8, 2011, the ASC imposed the following sanctions:
 - a. pursuant to sections 198(1)(b) and (c) of the *Securities Act*, R.S.A. 2000, c. S-4 (the "ASA"), that Sirianni cease trading in or purchasing securities and that any exemptions from Alberta securities laws do not apply to him permanently, except that the ASC Order does not preclude him from trading in or purchasing mutual funds or exchange-traded funds through a registrant (who has first been given a copy of the ASC Order) in a registered retirement savings plan, tax-free savings account or registered education savings plan (each as defined in the *Income Tax Act* (Canada)) for the benefit of one or more of Sirianni, his spouse and his children;
 - b. pursuant to sections 198(1)(d) and (e) of the ASA, that Sirianni resign any position that he holds as a director or officer of any issuer, registrant or investment fund manager and is permanently prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager;
 - c. pursuant to section 198(1)(e.3), that Sirianni be prohibited from acting in a management or consultative capacity in connection with activities in the securities market permanently;
 - d. pursuant to section 199 of the ASA, that Sirianni pay an administrative penalty in the amount of \$180,000; and
 - e. pursuant to section 202(1) of the ASA, that Sirianni pay costs in the amount of \$9,000.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

7. Sirianni is subject to an order of the ASC imposing sanctions, conditions, restrictions or requirements on him.
8. Pursuant to paragraphs 4 and 5, respectively, of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements on the person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.
9. Staff allege that it is in the public interest to make an order against Sirianni.
10. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
11. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*.

DATED at Toronto, this 24th day of June, 2013.