



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

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

- and -

**IN THE MATTER OF
TRANSCAP CORPORATION, STRATA-TRADE CORPORATION,
DALE JOSEPH EDGAR ST. JEAN AND GREGORY DENNIS TINDALL**

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

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

I. OVERVIEW

1. TransCap Corporation (“TCC”), Strata-Trade Corporation (“STC”), Dale Joseph Edgar St. Jean (“St. Jean”) and Gregory Dennis Tindall (“Tindall”) (together, the “Respondents”) are subject to an order made by the Alberta Securities Commission (the “ASC”) dated July 29, 2013 (the “ASC Order”) that imposes sanctions, conditions, restrictions or requirements on them.
2. In its findings on liability dated May 9, 2013 (the “Findings”), a panel of the ASC (the “ASC Panel”) found that the Respondents made materially misleading or untrue statements, contrary to section 92(4.1) of the Alberta *Securities Act*, R.S.A. 2000, c. S-4 (the “ASA”), and that the Respondents perpetrated a fraud, contrary to section 93(b) of the ASA.
3. The ASC Panel further found that STC and St. Jean breached filing requirements, contrary to sections 2.9(16) or (17) and 6.1 of National Instrument 45-106 (*Prospectus*

and Registration Exemptions) (“NI 45-106”), and that Tindall concealed or withheld information reasonably required for an investigation, contrary to section 93.4(1) of the ASA.

4. Staff are seeking an inter-jurisdictional enforcement order reciprocating the ASC Order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
5. The conduct for which the Respondents were sanctioned took place between March 1, 2005 and December 10, 2009 (the “Material Time”).
6. TCC and STC were both incorporated in Alberta.
7. During the Material Time, St. Jean was a resident of Calgary, Alberta, and was a cofounder, director and officer of TCC and STC. Tindall was resident in Alberta, and also a cofounder, director and officer of TCC and STC.

II. THE ASC PROCEEDINGS

The ASC Findings

8. In its Findings, a panel of the ASC found the following:

TCC

- a. TCC made material misleading or untrue statements to investors and perpetrated a fraud on Alberta investors, contrary to sections 92(4.1) and 93(b) (and its predecessor section 93(c)) of the ASA, respectively, and contrary to the public interest;

STC

- b. STC made material misleading or untrue statements to investors, breached filing requirements and perpetrated a fraud on Alberta investors, contrary to sections 92(4.1) of the ASA, 2.9(16) or (17) and 6.1 of NI 45-106 and

93(b) (and 93(c)) of the ASA, respectively, and contrary to the public interest;

St. Jean

- c. St. Jean made material misleading or untrue statements to investors, breached filing requirements and perpetrated a fraud on Alberta investors, contrary to sections 92(4.1) of the ASA, 2.9(16) or (17) and 6.1 of NI 45-106 and 93(b) (and 93(c)) of the ASA, respectively, and contrary to the public interest; and St. Jean authorized, permitted or acquiesced in TCC's and STC's breaches of Alberta securities laws; and

Tindall

- d. Tindall made material misleading or untrue statements to investors, concealed or withheld information reasonably required for an investigation and perpetrated a fraud on Alberta investors, contrary to sections 92(4.1), 93.4(1) and 93(b) (and 93(c)) of the ASA, respectively, and contrary to the public interest; and Tindall authorized, permitted or acquiesced in TCC's and STC's breaches of Alberta securities laws.

The ASC Order

9. The ASC Order imposed the following sanctions, conditions, restrictions or requirements:
- a. upon TCC and STC:
- i. pursuant to section 198(1)(a) of the ASA, all trading in or purchasing must cease in respect of any securities of TCC or STC, permanently;
 - ii. pursuant to section 198(1)(b) of the ASA, TCC and STC must each cease trading in or purchasing any securities, permanently;

- iii. pursuant to section 198(1)(c) of the ASA, all of the exemptions contained in Alberta securities laws do not apply to TCC or STC, permanently;
 - iv. pursuant to section 198(1)(e.2) of the ASA, TCC and STC are each prohibited from becoming or acting as a registrant, investment fund manager or promoter, permanently; and
 - v. pursuant to section 198(1)(e.3) of the ASA, TCC and STC are each prohibited from acting in a management or consultative capacity in connection with activities in the securities market, permanently;
- b. upon St. Jean:
- i. pursuant to sections 198(1)(b) and (c) of the ASA, St. Jean must cease trading in or purchasing any securities, and all of the exemptions contained in Alberta securities laws do not apply to him, permanently;
 - ii. pursuant to sections 198(1)(d) and (e) of the ASA, St. Jean must resign any position that he currently holds as a director or officer of any issuer, registrant or investment fund manager, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager, permanently;
 - iii. pursuant to section 198(1)(e.3) of the ASA, St. Jean is prohibited from acting in a management or consultative capacity in connection with activities in the securities market, permanently;
 - iv. pursuant to under section 198(1)(i) of the ASA, St. Jean must, jointly and severally with Tindall, pay to the Alberta Securities Commission \$9.6 million obtained as a result of non-compliance with Alberta securities laws;

- v. pursuant to section 199 of the ASA, St. Jean must pay an administrative penalty of \$1.2 million; and
 - vi. pursuant to section 202 of the ASA, St. Jean must pay \$30,000 of the costs of the investigation and hearing;
- c. upon Tindall:
- i. pursuant to sections 198(1)(b) and (c) of the ASA, Tindall must cease trading in or purchasing any securities, and all of the exemptions contained in Alberta securities laws do not apply to him, permanently;
 - ii. pursuant to sections 198(1)(d) and (e) of the ASA, Tindall must resign any position that he currently holds as a director or officer of any issuer, registrant or investment fund manager, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager, permanently;
 - iii. pursuant to section 198(1)(e.3) of the ASA, Tindall is prohibited from acting in a management or consultative capacity in connection with activities in the securities market, permanently;
 - iv. pursuant to section 198(1)(i) of the ASA, Tindall must, jointly and severally with St. Jean, pay to the Alberta Securities Commission \$9.6 million obtained as a result of non-compliance with Alberta securities laws;
 - v. pursuant to section 199 of the ASA, Tindall must pay an administrative penalty of \$750,000; and
 - vi. pursuant to section 202 of the ASA, Tindall must pay \$35,000 of the costs of the investigation and hearing.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

10. The Respondents are subject to an order of the ASC imposing sanctions, conditions, restrictions or requirements on them.
11. Pursuant to paragraph 4 of subsection 127(10) of 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 may form the basis for an order in the public interest made under subsection 127(1) of the Act.
12. Staff allege that it is in the public interest to make an order against the Respondents.
13. 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.
14. 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 21st day of November, 2013.