



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  
PAUL LESTER STILES**

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

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

**I. OVERVIEW**

1. Paul Lester Stiles (“Stiles”) is subject to an order made by the British Columbia Securities Commission (“BCSC”) dated October 3, 2012 (the “BCSC Order”) that imposes sanctions, conditions, restrictions or requirements upon him.
2. In its findings on liability dated October 3, 2012 (the “Findings”), a panel of the BCSC (the “BCSC Panel”) found that Stiles made misrepresentations to investors with the intention of trading in securities.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC 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”).
4. The conduct for which Stiles was sanctioned took place between 2009 and 2012 (the “Material Time”).
5. During the Material Time, Stiles was a resident of British Columbia.

## II. THE BCSC PROCEEDINGS

### The BCSC Findings

6. In its Findings, the BCSC Panel found the following:
  - a. Stiles made misrepresentations with the intention of trading in securities, contrary to section 50(1)(d) of the British Columbia *Securities Act*, RSBC 1996, c. 418 (the “BC Act”), and acted contrary to the public interest.

### The BCSC Order

7. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements upon Stiles:
  - a. pursuant to section 161(1)(b) of the BC Act, that Stiles cease trading in, and is prohibited from purchasing, securities and exchange contracts, permanently;
  - b. pursuant to sections 161(1)(d)(i) and (ii) of the BC Act, that Stiles resign any position he holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer or registrant;
  - c. pursuant to section 161(1)(d)(iii) of the BC Act, that Stiles is permanently prohibited from becoming or acting as a registrant or promoter;
  - d. pursuant to section 161(1)(d)(iv) of the BC Act, that Stiles is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
  - e. pursuant to section 161(1)(d)(v) of the BC Act, that Stiles is permanently prohibited from engaging in investor relations activities; and
  - f. pursuant to section 162 of the BC Act, that Stiles pay to the BCSC an administrative penalty of \$35,000.

**III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION**

8. Stiles is subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements upon him.
9. 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.
10. Staff allege that it is in the public interest to make an order against Stiles.
11. 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.
12. 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 23<sup>rd</sup> day of April, 2014.