



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

- AND -

**IN THE MATTER OF FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and XUNDONG QIN also known as SAM QIN**

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

Staff of the Ontario Securities Commission (“Staff”) make the following allegations:

A. Overview

1. During the period from May 2012 until August 2014, (the “Material Time”), Future Solar Developments Inc. (“FSD”), Cenith Energy Corporation (“Cenith Energy”), Cenith Air Inc. (“Cenith Air”), Angel Immigration Inc. (“Angel Immigration”) (collectively, the “Corporate Respondents”) and Xundong Qin (also known as Sam Qin) (“Qin”) (collectively, the “Respondents”): (i) traded in securities without being registered, contrary to subsection 25(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), (ii) illegally distributed securities, contrary to subsection 53(1) of the Act, and/or (iii) acted in a manner that was contrary to the public interest.
2. During the Material Time, Qin was an Ontario resident. Further, all of the Corporate Respondents were Ontario corporations with the same registered corporate address in Toronto, Ontario.
3. The Respondents raised approximately \$6.6 million by selling securities of FSD to eleven (11) individuals resident in the People’s Republic of China (the “OPNP Investors”). The investments at issue are linked or are stated by FSD to be linked to the Opportunities Ontario Provincial Nominee Program (the “OPNP”) in which FSD investors could qualify for permanent resident status in Canada through the investor stream of the OPNP.

B. The Respondents

4. FSD was incorporated in Ontario on May 3, 2011 with a registered address in Toronto, Ontario. Qin is a director of FSD. During the Material Time, FSD was not a reporting issuer in Ontario, did not file a preliminary prospectus and prospectus, and did not file any reports of exempt distributions. During the Material Time, FSD was not registered with the Ontario Securities Commission (the “Commission”) in any capacity.
5. Cenith Energy was incorporated in Ontario on August 28, 2002 with a registered address in Toronto, Ontario. Qin is the president and director of Cenith Energy. During the Material Time, Cenith Energy was not registered with the Commission in any capacity.
6. Cenith Air was incorporated in Ontario on January 20, 2014 with a registered address in Toronto, Ontario. Qin is the sole director of Cenith Air. During the Material Time, Cenith Air was not registered with the Commission in any capacity.
7. Angel Immigration was incorporated in Ontario on March 7, 2014 with a registered address in Toronto, Ontario. Qin is the sole director of Angel Immigration. During the Material Time, Angel Immigration was not registered with the Commission in any capacity.
8. During the Material Time, Qin was a resident of Ontario and a director and/or officer and the directing mind of all of the Corporate Respondents. Further, Qin was not registered with the Commission in any capacity.

C. Unregistered Trading and Illegal Distribution

9. The Respondents have accepted funds, directly or indirectly, from investors resident in the People’s Republic of China for shares of FSD. These investments are linked or are stated by FSD to be linked to the OPNP, offered through the Ontario Ministry of Citizenship, Immigration and International Trade (“MCII”), which allows individuals to be nominated by the Ontario government to obtain permanent resident status in Canada through the investor stream of the OPNP.

10. Prior to their investment in FSD, investors were provided with a Subscription Agreement for Class B Preference Shares.
11. After investing with FSD, the OPNP Investors were provided with a letter confirming their investment and a certificate for Class B Preference Shares issued by FSD. The investment in FSD was a “security” as defined in subsection 1(1) of the Act.
12. According to documentation provided to investors and the MCII, the investments from the OPNP Investors were to be used by FSD to “support the company’s planned expansion in the clean energy sector” with activities centred on (1) FSD’s participation in the Ontario Power Authority’s Feed-in-Tariff Program and (2) the design, manufacture, sale, installation and maintenance of custom LED lighting products and services.
13. As a result of the Respondents’ conduct described above, approximately \$6.6 million was raised from eleven (11) OPNP Investors and deposited, directly or indirectly, into Ontario-based bank accounts held in the names of the Corporate Respondents.
14. By engaging in the conduct described above, the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in securities and participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of securities not previously issued for valuable consideration, in circumstances where there were no exemptions available to the Respondents under the Act, contrary to sections 25 and 53 of the Act and/or contrary to the public interest.

D. Breaches of Ontario Securities Law and/or Conduct Contrary to the Public Interest

15. The specific allegations advanced by Staff are:
 - (a) During the Material Time, the Respondents traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so, in circumstances where there were no exemptions available to the Respondents under the Act, contrary to subsection 25(1) of the Act;
 - (b) During the Material Time, the trading of FSD securities as set out above constituted a distribution of securities by the Respondents in circumstances where

no preliminary prospectus and prospectus were filed and receipts had not been issued for them by the Director, and where there were no exemptions available to the Respondents under the Act, contrary to subsection 53(1) of the Act; and

- (c) During the Material Time, Qin as a director or officer of the Corporate Respondents authorized, permitted or acquiesced in the Corporate Respondents' non-compliance with Ontario securities law and as a result is deemed to also have not complied with Ontario securities law pursuant to section 129.2 of the Act.
16. By reason of the foregoing, the Respondents violated the requirements of Ontario securities law and/or engaged in conduct contrary to the public interest such that it is in the public interest to make orders under section 127 of the Act.
 17. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, March 26, 2015.