



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 JAMES BARNETT (ALSO KNOWN AS JOHN DAVID)**

**- and -**

**IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN STAFF OF THE  
ONTARIO SECURITIES COMMISSION AND JAMES BARNETT (ALSO KNOWN AS  
JOHN DAVID)**

**ORDER  
(Subsections 127(1) and 127(2) and Section 127.1)**

**WHEREAS** the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing dated March 21, 2014 (the “Notice of Hearing”) pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in connection with a Statement of Allegations dated March 21, 2014 filed by Staff of the Commission (“Staff”) to consider whether it is in the public interest to make certain orders against James Barnett (also known as John David) (“Barnett”);

**AND WHEREAS** Barnett entered into a Settlement Agreement with Staff dated March 21, 2014 (the “Settlement Agreement”) in which Barnett and Staff agreed to a proposed settlement of the matter commenced by the Notice of Hearing, subject to the approval of the Commission;

**AND WHEREAS** the Commission has reviewed the Notice of Hearing, the Statement of Allegations and the Settlement Agreement;

**AND WHEREAS** Barnett has entered into an undertaking as part of the Settlement Agreement whereby he shall make a voluntary payment to the Commission in the amount of \$75,000, which will be designated for allocation or for use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

**AND WHEREAS** Barnett has provided to Staff a certified cheque in the payment of \$75,000 in full payment of the voluntary undertaking;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS HEREBY ORDERED THAT:**

- (a) the Settlement Agreement is approved;
- (b) pursuant to paragraph 8.1 of subsection 127(1) of the Act, Barnett resign any position he holds as a director of a registrant or as a chief executive officer, chief financial officer or chief operating officer of a registrant or the functional equivalent of any of these positions;;
- (c) pursuant to paragraph 8.2 of subsection 127(1) of the Act, Barnett shall be prohibited from becoming or acting as a director of a registrant except as described in subparagraph (g) below or from becoming or acting as a chief executive officer, chief financial officer or chief operating officer of a registrant or the functional equivalent of any of these positions permanently;
- (d) pursuant to paragraph 8.2 of subsection 127(1) of the Act, Barnett shall be prohibited from becoming or acting as an “ultimate designated person” or chief compliance officer” as defined in subsection 1(1) of the Act permanently;
- (e) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Barnett shall be prohibited from becoming or acting as a registrant, or as an individual who has beneficial ownership of, or direct or indirect control or direction over, 10% or more of the voting securities of a registered firm until the later of a period of four years from the date of the approval of the Settlement Agreement and the date on which Barnett completes, in addition to any proficiency requirements, the Conduct and Practices Handbook Course;
- (f) pursuant to 8.2 of subsection 127(1) of the Act, Barnett shall be prohibited from becoming or acting as a director of a registrant until the later of a period of four years from the date of the approval of the Settlement Agreement and the date the date on which Barnett completes the Directors Education Program;

- (g) subject to the satisfaction of subparagraph (e) and upon becoming a registered by the Director under subsection 27(1) of the Act, Barnett's registration shall be subject to a term and condition requiring he be subject to strict supervision of a sponsoring firm for a period of one year;
- (e) pursuant to paragraph 6 of subsection 127(1) of the Act, Barnett is reprimanded;
- (f) the voluntary payment of \$75,000 to the Commission made by Barnett upon the approval of the Settlement Agreement is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;
- (g) pursuant to paragraph 9 of subsection 127(1) of the Act, Barnett shall pay an administrative penalty of \$125,000 to the Commission which is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
- (h) pursuant to section 127.1 of the Act, Barnett shall pay the costs of the Commission's investigation in the amount of \$25,000 within 180 days of the signing of this Order; and
- (i) in satisfaction of term (g) above, Barnett shall pay \$25,000 by certified cheque or bank draft payable to the Ontario Securities Commission within one year of the signing of this Order and shall pay a further \$50,000 by certified cheque or bank draft payable to the Ontario Securities Commission within one year of each preceding payment until the administrative penalty has been paid in full.

**DATED AT TORONTO** this 1<sup>st</sup> day of April, 2014.

*"Alan Lenczner"*

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