



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 DANIEL STERNBERG, PARKWOOD GP INC.  
AND PHILCO CONSULTING INC.**

**- AND -**

**IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN STAFF OF THE  
COMMISSION AND DANIEL STERNBERG, PARKWOOD GP INC.  
AND PHILCO CONSULTING INC.**

**ORDER  
(Section 127)**

**WHEREAS** on April 24, 2012, the Ontario Securities Commission (the “Commission”) issued a 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 the allegations set out in the Statement of Allegations of Staff of the Commission (“Staff”) dated April 24, 2012;

**AND WHEREAS** Daniel Sternberg (“Sternberg”), Parkwood GP Inc. (“Parkwood GP”) and Philco Consulting Inc. (“Philco”) (collectively, the “Respondents”) entered into a Settlement Agreement with Staff dated April 24, 2012 (the “Settlement Agreement”) in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated April 24, 2012, subject to the approval of the Commission;

**AND WHEREAS** on April 24, 2012, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondents;

**AND UPON** reviewing the Settlement Agreement, the Notice of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from Staff and the Respondents;

**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 clause 2 of subsection 127(1) of the Act, trading in any securities by Sternberg shall cease for a period of one year from the date of this Order, subject to the exception that Sternberg is permitted to trade through an account with a registered dealer of which Sternberg, his spouse or a company wholly-owned by him is the sole legal and beneficial owner and for the account of his or his spouse's registered retirement savings plan as defined in the *Income Tax Act*, R.S.C., 1985, c. 1, as amended;
- (c) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Philco shall cease for a period of one year from the date of this Order, subject to the exception that Philco is permitted to trade through an account with a registered dealer of which Philco is the sole legal and beneficial owner;
- (d) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Parkwood GP shall cease for a period of one year from the date of this Order;
- (e) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Sternberg is prohibited for a period of one year from the date of this Order, subject to the exception that Sternberg is permitted to acquire securities through an account with a registered dealer of which Sternberg, his spouse or a company wholly-owned by him is the sole legal and beneficial owner and for the account of his or his spouse's registered retirement savings plan as defined in the *Income Tax Act*, R.S.C., 1985, c. 1, as amended;

- (f) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Philco is prohibited for a period of one year from the date of this Order, subject to the exception that Philco is permitted to acquire securities through an account with a registered dealer of which Philco is the sole legal and beneficial owner;
- (g) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Parkwood GP is prohibited for a period of one year from the date of this Order;
- (h) pursuant to clause 3 of subsection 127(1) of the Act, the exemptions contained in Ontario securities law do not apply to Sternberg for a period of one year from the date of this Order, subject to the exception that Sternberg is permitted to trade through an account with a registered dealer of which Sternberg, his spouse or a company wholly-owned by him is the sole legal and beneficial owner and for the account of his or his spouse's registered retirement savings plan as defined in the *Income Tax Act*, R.S.C., 1985, c. 1, as amended;
- (i) pursuant to clause 3 of subsection 127(1) of the Act, the exemptions contained in Ontario securities law do not apply to Philco for a period of one year from the date of this Order, subject to the exception that Philco is permitted to trade through an account with a registered dealer of which Philco is the sole legal and beneficial owner;
- (j) pursuant to clause 3 of subsection 127(1) of the Act, the exemptions contained in Ontario securities law do not apply to Parkwood GP for a period of one year from the date of this Order;
- (k) pursuant to clause 6 of subsection 127(1) of the Act, each of the Respondents is reprimanded;
- (l) pursuant to clause 8.2 of subsection 127(1) of the Act, Sternberg is prohibited for a period of one year from the date of this Order from becoming or acting as a director or officer of any registrant;

- (m) pursuant to clause 8.5 of subsection 127(1) of the Act, each of the Respondents is prohibited for a period of one year from the date of this Order from becoming or acting as a registrant; and
- (n) pursuant to clause 9 of subsection 127(1) of the Act, the Respondents shall, jointly and severally, pay the Commission an administrative penalty in the amount of \$100,000 to be allocated pursuant to subsection 3.4(2)(b) of the Act to or for the benefit of third parties.

**DATED AT TORONTO** this 26<sup>th</sup> day of April, 2012.

*“James E. A. Turner”*

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James E. A. Turner