



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
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP., FIRESTAR INVESTMENT MANAGEMENT
GROUP, MICHAEL CIAVARELLA AND MICHAEL MITTON**

ORDER

WHEREAS on December 10, 2004, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended to consider whether it is in the public interest to extend the Temporary Orders made on December 10, 2004 ordering that trading in shares of Pender International Inc. by Firestar Capital Management Corp. (“Firestar Capital”), Kamposse Financial Corp. (“Kamposse”), Firestar Investment Management Group (“Firestar Investment”), Michael Mitton (“Mitton”), and Michael Ciavarella (“Ciavarella”) (collectively, the “Respondents”) cease until further order by the Commission (the “Temporary Orders”);

AND WHEREAS on December 17, 2004, the Commission ordered that the hearing to consider whether to extend the Temporary Orders should be adjourned until February 4, 2005 and the Temporary Orders continued until that date;

AND WHEREAS on December 17, 2004, the Commission ordered that the Temporary Order against Michael Mitton should also be expanded such that Michael Mitton shall not trade in any securities in Ontario until the hearing on February 4, 2005;

AND WHEREAS a Notice of Hearing pursuant to sections 127 and 127.1 of the Act was issued on December 21, 2004 and a Statement of Allegations in this matter was filed by Staff of the Commission (“Staff”) on December 21, 2004;

AND WHEREAS on February 2, 2005, the hearing to consider whether to continue the

Temporary Orders was adjourned until May 26, 2005 and the Temporary Orders were continued until May 26, 2005;

AND WHEREAS on March 9, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until June 29 and 30, 2005 and the Temporary Orders were continued until June 30, 2005;

AND WHEREAS on June 29, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until November 23 and 24, 2005 and the Temporary Orders were continued until November 24, 2005;

AND WHEREAS on November 21, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until January 30 and 31, 2006 and the Temporary Orders were continued until January 31, 2006;

AND WHEREAS on January 30, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until July 31, 2006 and the Temporary Orders were continued until July 31, 2006;

AND WHEREAS on July 31, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2006 and the Temporary Orders were continued until October 12, 2006;

AND WHEREAS Ciavarella and Mitton were charged on September 26, 2006 under the Criminal Code with offences of fraud, conspiracy to commit fraud, laundering the proceeds of crime, possession of proceeds of crime and extortion for acts related to this matter;

AND WHEREAS on October 12, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2007 and the Temporary Orders were continued until October 12, 2007;

AND WHEREAS Staff advised that on March 22, 2007, Mitton was convicted of numerous charges under the Criminal Code and sentenced to a term of imprisonment of seven years;

AND WHEREAS on October 12, 2007, the hearing to consider whether to continue the

Temporary Orders was adjourned until March 31, 2008 and the Temporary Orders were continued until March 31, 2008;

AND WHEREAS on March 31, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until June 2, 2008 and the Temporary Orders were continued until June 2, 2008;

AND WHEREAS on June 2, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until December 1, 2008 and the Temporary Orders were continued until December 1, 2008;

AND WHEREAS on December 1, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until January 11, 2010 and the Temporary Orders were continued until January 11, 2010;

AND WHEREAS on January 11, 2010, the hearing to consider whether to continue the Temporary Orders was adjourned until March 7, 2011 and the Temporary Orders were continued until March 8, 2011;

AND WHEREAS on March 7, 2011, the hearing to consider whether to continue the Temporary Orders was adjourned until April 26, 2011 and the Temporary Orders were continued until April 27, 2011;

AND WHEREAS on April 26, 2011, the hearing to consider whether to continue the Temporary Orders was adjourned until May 31, 2011 and the Temporary Orders were continued until June 1, 2011;

AND WHEREAS on May 17, 2011, a settlement agreement in this matter between Staff and Ciavarella was approved by the Commission;

AND WHEREAS Staff advised that on May 18, 2011, the Criminal Code charges against Ciavarella before the Superior Court of Justice (Ontario) were stayed;

AND WHEREAS on May 31, 2011, Staff appeared before the Commission and no one appeared for any of the remaining Respondents;

AND WHEREAS on May 31, 2011, the Temporary Orders were continued against the

remaining Respondents until July 28, 2011 and the hearing to consider whether to continue the Temporary Orders was adjourned until July 27, 2011;

AND WHEREAS on July 27, 2011, Staff appeared before the Commission and no one appeared for any of the remaining Respondents;

AND WHEREAS on July 27, 2011 Staff requested that the hearing be adjourned for one month for the purpose of exploring settlement with certain Respondents;

AND WHEREAS on July 27, 2011, the Commission ordered that the Temporary Orders in place as against Firestar Capital, Kamposse, Firestar Investment, and Mitton be further continued until August 30, 2011 and the hearing to consider whether to continue the Temporary Orders be adjourned to August 29, 2011;

AND WHEREAS on August 29, 2011, Staff and counsel for Firestar Capital and Firestar Investment appeared before the Commission and no one appeared on behalf of the other remaining Respondents;

AND WHEREAS the Commission was satisfied that Staff took reasonable efforts to serve the remaining Respondents with notice of the August 29, 2011 hearing;

AND WHEREAS on August 29, 2011, counsel for Firestar Capital and Firestar Investment advised the Panel that he had only recently been retained and requested additional time to consider his client's position and Staff did not oppose a short adjournment;

AND WHEREAS on August 29, 2011, the Commission ordered that the Temporary Orders in place as against Firestar Capital, Kamposse, Firestar Investment and Mitton be further continued until October 4, 2011 and the hearing to consider whether to continue the Temporary Orders be adjourned to October 3, 2011;

AND WHEREAS on October 3, 2011, Staff and counsel for Firestar Capital and Firestar Investment appeared before the Commission and no one appeared on behalf of the other remaining Respondents;

AND WHEREAS the Commission was satisfied that Staff took reasonable efforts to serve the remaining Respondents with notice of the October 3, 2011 hearing;

AND WHEREAS on October 3, 2011, Staff requested that the hearing be adjourned to November 23, 2011, for the purpose of continuing to explore settlement with certain Respondents;

AND WHEREAS on October 3, 2011, the Commission ordered that the Temporary Orders in place as against Firestar Capital, Kamposse, Firestar Investment and Mitton be further continued until November 24, 2011, and the hearing to consider whether to continue the Temporary Orders be adjourned to November 23, 2011;

AND WHEREAS on November 23, 2011, Staff and counsel for Firestar Capital and Firestar Investment appeared before the Commission and no one appeared on behalf of the remaining Respondents;

AND WHEREAS the Commission was satisfied that Staff took reasonable efforts to serve the remaining Respondents with notice of the November 23, 2011 hearing;

AND WHEREAS on November 23, 2011, the Commission ordered that the Temporary Orders in place as against Firestar Capital, Kamposse, Firestar Investment and Mitton be further continued until January 31, 2012, and the hearing to consider whether to continue the Temporary Orders be adjourned to January 30, 2012;

AND WHEREAS on December 9, 2011, a settlement agreement between Staff and Mitton was approved by the Commission;

AND WHEREAS on January 30, 2012, Staff appeared before the Commission and no one appeared on behalf of the remaining Respondents;

AND WHEREAS the Commission was satisfied that Staff took reasonable efforts to serve the remaining Respondents with notice of the January 30, 2012 hearing;

AND WHEREAS on January 30, 2012, the Commission ordered that that the hearing be adjourned to March 29, 2012 at 10:00 a.m. for the purposes of a pre-hearing conference and that the Temporary Orders in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until March 30, 2012;

AND WHEREAS on March 29, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared and commenced the pre-hearing conference and no one appeared on behalf

of Kamposse;

AND WHEREAS on March 29, 2012, the Commission ordered that that the hearing be adjourned to June 20, 2012 at 9:00 a.m. for the purposes of continuing the confidential pre-hearing conference and that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until June 21, 2012;

AND WHEREAS on June 20, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of Kamposse;

AND WHEREAS on June 20, 2012, Staff requested that the Temporary Orders as against Firestar Capital, Kamposse, and Firestar Investment be extended, which was opposed by counsel to Firestar Capital and Firestar Investment;

AND WHEREAS on June 20, 2012, the Commission ordered that that the hearing be adjourned to August 15, 2012 for the purpose of continuing the confidential pre-hearing conference and that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until August 16, 2012;

AND WHEREAS on August 15, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of Kamposse;

AND WHEREAS on August 15, 2012, Staff requested that the Temporary Orders as against Firestar Capital, Kamposse, and Firestar Investment be extended, which was opposed by counsel to Firestar Capital and Firestar Investment;

AND WHEREAS on August 15, 2012, the Commission ordered that that the hearing be adjourned to October 18, 2012 for the purpose of continuing the confidential pre-hearing conference and that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until October 22, 2012;

AND WHEREAS on October 18, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of

Kamposse;

AND WHEREAS on October 18, 2012, Staff requested that the Temporary Orders as against Firestar Capital, Kamposse, and Firestar Investment be extended, which was opposed by counsel to Firestar Capital and Firestar Investment;

AND WHEREAS on October 18, 2012, the Commission ordered that the hearing be adjourned to January 17, 2013 for the purpose of continuing the confidential pre-hearing conference, that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until January 18, 2013 or until further order of the Commission and that a public hearing will be held following the continuation of the confidential pre-hearing conference on January 17, 2013 to consider whether to continue the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment;

AND WHEREAS on January 17, 2013, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of Kamposse;

AND WHEREAS on January 17, 2013, Staff requested that the Temporary Orders as against Firestar Capital, Kamposse, and Firestar Investment be extended, which was opposed by counsel to Firestar Capital and Firestar Investment;

AND WHEREAS on January 17, 2013, the Commission ordered that the hearing be adjourned to February 21, 2013 for the purpose of continuing the confidential pre-hearing conference, that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until February 22, 2013 or until further order of the Commission and that a public hearing will be held following the continuation of the confidential pre-hearing conference on February 21, 2013 to consider whether to continue the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment;

AND WHEREAS on February 21, 2013, Staff and counsel to Firestar Capital and Firestar Investment appeared and continued the pre-hearing conference, but no one appeared on behalf of Kamposse;

AND WHEREAS on February 21, 2013, Staff requested that the Temporary Orders as

against Firestar Capital, Kamposse, and Firestar Investment be extended to March 5, 2013, which was not opposed by counsel to Firestar Capital and Firestar Investment;

AND WHEREAS Staff agreed to make written submissions by end of business day on February 26, 2013 and counsel for Firestar Capital and Firestar Investment agreed to respond by 12:00 p.m. on March 1, 2013;

AND WHEREAS on February 21, 2013, the Commission ordered that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be further continued until March 5, 2013, or until further order of the Commission and that a public hearing will be held on March 4, 2013 to consider whether to continue the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment;

AND WHEREAS on March 4, 2013, Staff and counsel to Firestar Capital and Firestar Investment appeared and made submissions, but no one appeared on behalf of Kamposse;

AND WHEREAS Staff presented a Notice of Withdrawal, dated February 21, 2013, to be filed as of March 4, 2013, withdrawing the Statement of Allegations, dated December 21, 2004, with respect to Firestar Capital, Kamposse, and Firestar Investment;

AND WHEREAS counsel to Firestar Capital and Firestar Investment requested that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be vacated and Staff did not oppose vacating the Temporary Orders;

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

IT IS ORDERED that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment be vacated as of the conclusion of this hearing on March 4, 2013.

DATED at Toronto this 4th day of March, 2013.

“Edward P. Kerwin”

Edward P. Kerwin