



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 QUARTZ CAPITAL GROUP LTD. and PETER LLOYD  
WALLACE**

**- and -**

**IN THE MATTER OF A  
SETTLEMENT AGREEMENT BETWEEN STAFF  
OF THE ONTARIO SECURITIES COMMISSION AND  
QUARTZ CAPITAL GROUP LTD. and PETER LLOYD WALLACE**

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

**WHEREAS:**

1. On August 17, 2016, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Quartz Capital Group Ltd. (“Quartz”) and Peter Lloyd Wallace (“Wallace”) (the “Respondents”). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission (“Staff”) dated August 16, 2016 (the “Statement of Allegations”);
2. the Respondents entered into a Settlement Agreement with Staff dated August 17, 2016 (the “Settlement Agreement”) in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated August 17, 2016, subject to the approval of the Commission;

3. on August 17, 2016, the Commission issued a Notice of Hearing pursuant to section 127 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;
4. Quartz has agreed to deliver a certified cheque payable to the Commission in the amount of \$25,000 in payment of the costs order at the public hearing to approve the draft settlement agreement;
5. the Respondents acknowledge that failure to pay in full any costs ordered will result in Wallace's name being added to the list of "Respondents Delinquent in Payment of Commission Orders" published on the OSC website;
6. the Respondents acknowledge that this Order may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which the Respondents may intend to engage in any securities related activities, prior to undertaking such activities;
7. the Commission has reviewed the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and heard submissions from counsel for the Respondents and from Staff;
8. the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED THAT:**

- a. this Settlement Agreement is approved;

- b. the registration of Quartz is suspended permanently, pursuant to paragraph 1 of subsection 127(1) of the Act;
- c. the registration granted to Wallace under Ontario securities law is suspended for a period of two years commencing on the date of this order approving this Settlement Agreement, pursuant to paragraph 1 of subsection 127(1) of the Act;
- d. Wallace and Quartz are reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- e. Wallace shall resign one or more positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;
- f. Wallace shall resign one or more positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act, with the exception that Wallace shall be permitted to continue to act as a director and officer of NB3 Inc. (“NB3”), Blythco and ST GP Inc. (“ST GP”) provided that NB3, Blythco and ST GP shall not raise capital through the issuance of securities during the two year period following the date of this Order;
- g. Wallace is prohibited from becoming or acting as a director or officer of a registrant for a period of two years commencing on the date of this Order, pursuant to paragraph 8.2 of subsection 127(1) of the Act;
- h. Wallace is prohibited from becoming or acting as a director or officer of an investment fund manager for a period of two years commencing on the date of this Order, pursuant to paragraph 8.4 of subsection 127(1) of the Act;
- i. Wallace is prohibited from becoming or acting as a director or officer of an issuer for a period of two years commencing on the date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act, with the exception that Wallace be permitted to continue to act as a director and officer of NB3, Blythco and ST GP provided that NB3, Blythco and ST GP shall not raise capital through the issuance of securities during the two year period following the date of this Order;

j. Wallace is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of two years commencing on the date of this Order, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

k. Quartz shall pay costs in the amount of \$25,000, pursuant to section 127.1 of the Act; and

l. Until the entire amount of the payment set out in subparagraph (k) is paid in full, the provisions of subparagraphs (f) and (j) shall continue in force without the benefit of the stated exceptions.

**DATED** at Toronto, this 19th day of August, 2016

*“D. Grant Vingoe”*

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D. Grant Vingoe