

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

**- AND -**

**IN THE MATTER OF MOHINDER AHLUWALIA**

**AGREED STATEMENT OF FACTS**

**Overview**

1. From approximately June 2004 to June 2007 (the “Material Time”), Mohinder Ahluwalia (“Mohinder”) engaged in and held himself out as engaging in the business of trading in securities and Mohinder, directly and through representatives, sold Electrolinks shares to members of the public in Ontario and other jurisdictions.
2. Mohinder was not registered in any capacity with the Commission during the Material Time.
3. During the Material Time, Electrolinks was not a reporting issuer and the Electrolinks securities were not qualified by a prospectus.

**Background**

4. Q2 Media Inc. (“Q2 Media”) was a privately held corporation involved in the development and delivery of broadband over powerline communications (“BPL”) solutions. The principals of Q2 Media were Bir Flora (“Flora”), Neil Appalsamy (“Appalsamy”) and Jagdish Awatramani (“Awatramani”).
5. In or around late 2003 or early 2004, the principals of Q2 Media decided they required additional capital to continue to grow the company. Towards this end, Flora, Appalsamy and

Awatramani met with Mohinder who introduced himself as someone experienced in the capital markets and, in particular, as someone that could assist Q2 Media in equity financing. Mohinder later brought Balbir Ahluwalia (“Balbir”) to meet with Flora and Appalsamy.

6. Balbir recommended that a new company be incorporated to acquire Q2 Media and facilitate the raising of additional capital through the sale of shares.

7. In 2004, Electrolinks was incorporated and by agreement dated April 26, 2004 purchased the business of Q2 Media including all rights and licenses to BPL technology held by Q2 Media.

8. On July 9, 2004, Balbir incorporated MBS Group in the province of Ontario for the sole purpose of promoting, selling and distributing shares in Electrolinks (the “Electrolinks Securities”).

9. According to an agreement dated April 12, 2004 (the “Offering Agreement”), Electrolinks engaged MBS Group as a consultant in connection with the “private offering of shares” of Electrolinks. Mohinder was not a signatory to the Offering Agreement.

10. The Offering Agreement provided for the following:

- (a) Electrolinks would offer up to 15 million common shares of Electrolinks at a price per share of \$0.30 for gross proceeds of up to approximately \$4 million;
- (b) MBS Group would receive \$12,500 for every \$250,000 raised, one million shares at the beginning of the contract and an additional one million shares for every one million dollars raised (to a maximum of five million shares); and
- (c) Electrolinks would compensate MBS Group for all expenses incurred, which were to be reimbursed out of the initial gross proceeds of \$500,000 raised by the Company.

11. On September 28, 2004, Electrolinks filed a 45-501F1 Report of Exempt Distribution dated September 7, 2004 and reported the purchase of 1,199,500 shares by twelve purchasers.
12. The Commission received no additional filings in respect of the sale and/or distribution of the Electrolinks shares.
13. MBS Group maintained various bank accounts in Ontario (the “MBS Accounts”) during the Material Time.
14. From July 2004 to May 2006, at least \$1.6 million was raised through the sale of the Electrolinks Securities and deposited into the MBS Accounts by 89 persons or companies.
15. Mohinder was not aware of the total number of investors or the total amount deposited in the MBS Accounts as a result of the sale of the Electrolinks Securities referred to in paragraph 14 above.

#### **Trading in the Electrolinks Securities by Mohinder**

16. Mohinder is a resident of Ontario.
17. Mohinder has never been registered with the Commission in any capacity.
18. During the initial period following the retention of MBS Group by Electrolinks, Mohinder invested \$35,000 in exchange for approximately four million Electrolinks shares. Mohinder later purchased an additional 1.5 million shares in 2006 for \$25,000.
19. During the Material Time, Mohinder sold approximately 1.5 million shares in Electrolinks to members of the public (the “Electrolinks Shareholders”) directly and through various representatives.

20. Mohinder and his representatives sold the Electrolinks Securities for approximately \$0.65 to \$0.85 per share. This represented a substantial increase over the average price of \$0.01 per share that Mohinder paid to acquire the shares.

21. The Electrolinks Shareholders that purchased the Electrolinks Securities from Mohinder were not provided with a prospectus, offering memorandum or any other disclosure in respect of Electrolinks or the Electrolinks Securities.

22. Mohinder and his representatives told the Electrolinks Shareholders that Electrolinks was in the process of going public and that they could expect a substantial return on their investment once the process was complete.

23. Over \$650,000 was deposited into accounts controlled by Mohinder from the sale of Electrolinks Securities by his representatives. Mohinder transferred approximately \$155,000 of this amount to the MBS Accounts. None of the proceeds from these sales were provided to Electrolinks.

24. In exchange for their assistance, Mohinder compensated these representatives through commissions based on their sales of the Electrolinks Securities.

25. Electrolinks never became a public company nor did it make any distributions to the Electrolinks Shareholders. Electrolinks ceased business in or around 2008 and was dissolved on February 10, 2010. The Electrolinks Shareholders suffered a complete loss of their investment.

## **Conclusion**

26. By engaging in the conduct described above, Mohinder admits and acknowledges that he contravened Ontario securities law during the Material Time in the following ways:

- (a) Mohinder traded and engaged in, or held himself out as engaging in, the business of trading in securities, where no exemptions were available, and without being

registered to trade in securities, contrary to subsection 25(1) of the Act and contrary to the public interest; and

- (b) The actions of Mohinder related to the sale of securities constituted distributions of securities where no preliminary prospectus and prospectus were filed nor receipted by the Director, and where no exemptions were available, contrary to subsection 53(1) of the Act and contrary to the public interest.