



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 MBS GROUP (CANADA) LTD., BALBIR AHLUWALIA AND  
MOHINDER AHLUWALIA**

**DECISION**

**WHEREAS** on June 30, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations dated June 30, 2011, issued by Staff of the Commission ("Staff") with respect to MBS Group (Canada) Ltd. ("MBS Group"), Mohinder Ahluwalia ("Mohinder") and Balbir Ahluwalia ("Balbir") (collectively, the "Respondents");

**AND WHEREAS** by Notice of Motion dated August 5, 2011, Staff brought a motion for a temporary order on notice to the Respondents;

**AND WHEREAS** on August 17, 2011, Staff, Balbir and Mohinder attended before the Commission and the Commission made a temporary order pursuant to subsections 127(1) and 127(5) of the Act, which ordered: (i) pursuant to clause 2 of subsection 127(1) of the Act, that MBS Group, Mohinder and Balbir cease trading in all securities, with the exception that Mohinder and Balbir are permitted to trade securities in mutual funds that are reporting issuers through a registered dealer (to whom a copy of this order is delivered in advance of any such trading) and for the account only of their own respective registered retirement savings plans (as defined in the *Income Tax Act* (Canada)); and (ii) pursuant to clause 3 of subsection 127(1) of the

Act, that any exemptions contained in Ontario securities law do not apply to MBS Group, Mohinder or Balbir (the "Temporary Order"). The Commission ordered that the Temporary Order take effect immediately and expire on September 2, 2011, unless extended by order of the Commission;

**AND WHEREAS** on September 1, 2011, the Commission extended the Temporary Order until December 2, 2011, with the exception that Mohinder may direct Mackie Research Capital Corporation to sell securities held in his accounts with them as of September 1, 2011 in order to liquidate those accounts;

**AND WHEREAS** on November 29, 2011, the Commission ordered that the Temporary Order be extended until the conclusion of the hearing on the merits with the exception that Balbir and Mohinder are, individually, permitted to trade for their own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (i) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that they do not own beneficially or exercise control or direction over more than five percent of the voting or equity securities of the issuer(s) of any such securities; or (ii) any security issued by a mutual fund that is a reporting issuer. The Commission further ordered that a prehearing conference be scheduled for January 13, 2012;

**AND WHEREAS** on January 13, 2012, the Commission ordered that the hearing on the merits (the "Merits Hearing") commence on October 22, 2012 at 10:00 a.m. and continue on October 24, 25, 26, 29, 30 and November 1, 2, 3 and 5, 2012, or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary;

**AND WHEREAS** on September 17, 2012, Staff and Mohinder presented an agreed statement of facts to the Commission;

**AND WHEREAS** Mohinder acknowledged in the agreed statement of facts that he breached subsections 25(1) and 53(1) of the Act as alleged in Staff's Statement of Allegations dated June 30, 2011;

**AND WHEREAS** on September 21, 2012, Staff filed an Amended Statement of Allegations;

**AND WHEREAS** on October 10, 2012, Staff and Mohinder jointly requested and the Commission ordered that Mohinder be severed from this proceeding and that a separate hearing take place on November 29 and 30, 2012 to consider whether it is in the public interest for the Commission to make certain orders against Mohinder on the basis of the agreed statement of facts filed with the Commission;

**AND WHEREAS** the Merits Hearing relating to MBS Group and Balbir commenced on October 22, 2012 and continued on October 24, 25, 26, 29 and 31, 2012;

**AND WHEREAS** on October 29, 2012, the Merits Hearing was adjourned until October 31, 2012, during which time the parties advised they would be working towards entering an agreed statement of facts and Balbir advised that he would be obtaining legal advice in respect thereof;

**AND WHEREAS** on October 31, 2012, Staff and Balbir jointly presented a document entitled “Agreed Statement of Facts and Respondents’ Admissions” (the “Agreed Statement of Facts”) to the Panel wherein Balbir admits and acknowledges that he and MBS Group acted in contravention of sections 25(1), 53(1) and 129.2 of the Act as alleged in Staff’s Amended Statement of Allegations dated September 21, 2012;

**AND WHEREAS** upon considering the Agreed Statement of Facts and hearing the submissions of Staff and Balbir in respect thereof, the Panel declared the Merits Hearing at an end;

**AND WHEREAS** the Panel has considered the Agreed Statement of Facts, section 17 of the *Statutory Powers Procedure Act*, R.S.O, 1990 c.S.22 and rule 17 of the *Ontario Securities Commission Rules of Procedure*, as amended, and has reached the following decision:

**THIS PANEL FINDS THAT:**

- (a) Any and all evidence entered in the Merits Hearing is withdrawn in its entirety and replaced with the Agreed Statement of Facts, wherein Balbir admits and

acknowledges that he and MBS Group contravened sections 25(1), 53(1) and 129.2 of the Act; and

- (b) A sanctions hearing in this matter will take place on January 10 and 11, 2013, which dates have been set with the consent of the parties, exclusively in respect of the facts and admissions contained in the Agreed Statement of Facts.

Dated at Toronto this 5<sup>th</sup> day of November, 2012.

*“Christopher Portner”*

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Christopher Portner