



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. AND BALBIR AHLUWALIA

**ORDER
(Sections 37, 127 and 127.1 of the *Securities Act*)**

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**"), Mohinder Ahluwalia ("**Mohinder**") and Balbir Ahluwalia ("**Balbir**") (collectively, the "Respondents");

AND WHEREAS on September 21, 2012, Staff filed an Amended Statement of Allegations with respect to MBS and Balbir;

AND WHEREAS on October 10, 2012, the Commission ordered that Mohinder be severed from this proceeding;

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

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 in which Balbir admits and acknowledges that he and MBS acted in

contravention of subsections 25(1) and 53(1) and section 129.2 of the Act as alleged in Staff's Amended Statement of Allegations dated September 21, 2012;

AND WHEREAS on November 5, 2012, after considering the Agreed Statement of Facts and hearing the submissions of Staff and Balbir, the Panel found that:

- (a) Any and all evidence entered in the Merits Hearing is withdrawn in its entirety and replaced by the Agreed Statement of Facts, in which Balbir admits and acknowledges that he and MBS contravened subsections 25(1) and 53(1) and section 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;

AND WHEREAS on January 10, 2013, the Commission held a hearing with respect to the sanctions and costs to be imposed in this matter;

AND WHEREAS the Commission is satisfied that MBS and Balbir have not complied with Ontario securities law and have acted contrary to the public interest, as described in the Reasons and Decision on Sanctions and Costs in this matter;

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

IT IS ORDERED that:

- (a) Pursuant to paragraph 2 of subsection 127(1) of the Act, the Respondents shall cease trading in securities for a period 10 years from the date of the Order provided that the entire amount of the payments set out in paragraphs (i), (j), (k), and (l) below has been paid in full. If such amounts remain unpaid, the Respondents shall cease trading in securities without limitation as to time.
- (b) Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by the Respondents is prohibited for a period of 10 years from the date of the Order provided that the entire amount of the payments set out in paragraphs

(i), (j), (k), and (l) below has been paid in full. If such amounts remain unpaid, the Respondents shall be prohibited from acquiring securities without limitation as to time.

- (c) Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents for a period of 10 years from the date of the Order provided that the payments set out in paragraphs (i), (j), (k), and (l) below has been paid in full. If such amounts remain unpaid, any exemptions contained in Ontario securities law shall not apply to the Respondents without limitation as to time.
- (d) Pursuant to paragraph 6 of subsection 127(1) of the Act, Balbir is reprimanded.
- (e) Pursuant to paragraph 7 of subsection 127(1) of the Act, Balbir shall resign all positions that he may hold as a director or officer of an issuer.
- (f) Pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1) of the Act, Balbir is prohibited permanently from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager.
- (g) Pursuant to paragraph 8.5 of subsection 127(1) of the Act, Balbir is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter.
- (h) Pursuant to section 37 of the Act, Balbir shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities.
- (i) Pursuant to paragraph 9 of subsection 127(1) of the Act, Balbir shall pay an administrative penalty of \$100,000.
- (j) Pursuant to paragraph 10 of subsection 127(1) of the Act, Balbir shall disgorge to the Commission \$164,000 obtained as a result of his non-compliance with Ontario securities law.

- (k) Pursuant to paragraph 10 of subsection 127(1) of the Act, Balbir and MBS shall disgorge to the Commission, on a joint and several basis, \$936,000 obtained as a result of the non-compliance by MBS and Balbir with Ontario securities law.
- (l) Pursuant to section 127.1 of the Act, Balbir shall pay costs incurred by the Commission in the amount of \$10,000.
- (m) All amounts received by the Commission in respect of the administrative penalty ordered in paragraph (i) above and the disgorgement amounts ordered in paragraphs (j) and (k) above are to be designated for allocation or use by the Commission pursuant to subsections 3.4(2)(b)(i) or (ii) of the Act.

Dated at Toronto this 3rd day of April, 2013.

“Christopher Portner”

Christopher Portner