

IN THE MATTER OF THE *SECURITIES ACT*

R.S.O. 1990, c. S.5, AS AMENDED

– AND –

**IN THE MATTER OF AGORACOM INVESTOR RELATIONS CORP.,
AGORA INTERNATIONAL ENTERPRISES CORP., GEORGE TSIOLIS and
APOSTOLIS KONDAKOS (a.k.a. PAUL KONDAKOS)**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the Securities Act, R.S.O. 1990, c. S-5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Agoracom Investor Relations Corp. (“AIRC”), Agora International Enterprises Corp. (“AIEC”) (collectively “Agoracom”), George Tsiolis (“Tsiolis”) and Apostolis Kondakos, a.k.a. Paul Kondakos (“Kondakos”) (collectively the “Respondents”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated April 1, 2010 (the “Proceeding”) against the Respondents according to the terms and conditions set out in Part VI of this Settlement Agreement. The Respondents agree to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

PART III – AGREED FACTS

3. For this proceeding, and any other regulatory proceeding commenced by any provincial or territorial securities regulatory authority in Canada, the Respondents agree with the facts as set out in Part III of this Settlement Agreement.

I. OVERVIEW

4. This proceeding relates to on-line posting activity by Agoracom Investor Relations Corp. (“AIRC”) and Agora International Enterprises Corp. (“AIEC”) (collectively “Agoracom”), an on-line investment relations firm, and its management, George Tsiolis (“Tsiolis”) and Apostolis Kondakos, a.k.a. Paul Kondakos (“Kondakos”) (collectively the “Respondents”) in a manner that was contrary to the public interest.

5. Staff allege that the Respondents’ course of conduct spanned from September 1, 2006 to July 31, 2009 (the “Material Time”).

6. This proceeding also relates to the interception by Kondakos of private messages sent between public users using the Agoracom platform, contrary to the public interest. This course of conduct spanned from July 2008 to February 2009.

II. THE RESPONDENTS

A. The Corporate Respondents

7. None of the corporate respondents were registered with the Commission in any capacity during the Material Time.

8. AIRC is an Ontario company incorporated on February 12, 2007. AIRC employs Agoracom representatives and contracts with clients to provide investor relations services.

9. AIEC is an Ontario company incorporated on April 23, 1997. Revenue from Agoracom gets reported to AIEC.

10. Together, AIRC and AIEC carry on business in Toronto, Ontario as “Agoracom” and perform the business of an online investor relations firm for public companies whose securities are publicly listed in Canada.

B. The Individual Respondents

11. Tsiolis is a resident of Toronto, Ontario and is the founder and a directing mind of Agoracom. Tsiolis is the sole director of AIEC, one of two directors of AIRC and is the

registrant for the domain name “agoracom.com”.

12. Tsiolis was registered as an officer & director (trading) and shareholder, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Tsiolis has been registered as a dealing representative and approved as a permitted individual (officer, director and shareholder), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009.

13. Kondakos is a resident of Toronto, Ontario and is the other directing mind of Agoracom. Kondakos is an officer of AIRC.

14. Kondakos was registered as officer & director (trading) and approved as designated compliance officer, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Kondakos has been registered as a dealing representative and approved as a permitted individual (officer & director), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009. Kondakos has also been registered as ultimate designated person and chief compliance officer, under the category of exempt market dealer with Agoracom Capital Inc. since December 29, 2009.

III. ALIAS POSTINGS BY AGORACOM MANAGEMENT AND REPRESENTATIVES

15. According to their website (www.agoracom.com), Agoracom “caters to the IR and marketing needs of small and micro cap public companies trading on the TSX [and] TSX Venture...”. Agoracom offers pricing models for its clients which incorporate a monthly fee and stock options equalling the greater of 250,000 shares or 0.5% of a company’s fully diluted outstanding share total at current prices.

16. Agoracom’s online content includes webcasts, podcasts, and blogs. Perusal of www.agoracom.com is free and open to the public. Visitors are directed to client and non-client issuer “hubs” created and maintained by Agoracom. Among the features available on a specific company’s hub is a discussion forum, relating to the issuers’ securities.

17. Agoracom’s representatives serviced the client hubs by moderating their discussion

forums and posting information and news to the forums. In order to post comments on the discussion forums, users are required to create a username and provide an e-mail address.

18. Tsiolis and Kondakos required their representatives, as part of their daily responsibilities, to post anonymously to some client forums using aliases. To post messages anonymously, the representatives created fictitious usernames and posed as investors blending in with other users, investors and interested persons. Representatives had between 40-50 aliases (some had up to 200) and were required to make up to 2 posts per hub per day or risk having their pay docked. On occasion, Agoracom staff conversed with themselves on the forums using different aliases.

19. During the Material Time:

- (a) more than 24,000 alias posts were created from within Agoracom on client and non-client hubs;
- (b) more than 670 alias user names were created by representatives of Agoracom and used on client and non-client hubs;
- (c) alias posts originated from Tsiolis' residence; and
- (d) posts by Agoracom representatives, using their aliases, were occasionally promotional and promoted purchasing and/or holding stock.

20. Neither the public users nor the majority of Agoracom's clients were aware that representatives of Agoracom were posting on their hubs using aliases. In some cases, Agoracom reported the number of posts and shareholder inquiries answered by Agoracom's representatives to clients on a monthly basis, and failed to disclose that a portion of the posts and shareholder inquiries were created by Agoracom's own representatives. For certain clients, alias posts by Agoracom's representatives represented a significant proportion of the postings within the forum.

21. The Respondents also took steps to actively conceal the alias posting activity by its representatives. In March 2009, when the business development representative, Scott Purkis, revealed that he was an Agoracom representative posting with an alias, the Respondents posted

an “Official Statement” stating that these actions were carried out by a single individual and that Agoracom would be taking steps within next sixty (60) days to ensure that this would never happen again. The message posted by the Respondents to the public in relation to Purkis’ alias postings was misleading given that Tsiolis and Kondakos knew and instructed many representatives to create and use multiple aliases to post on several of the client forums. In addition, Tsiolis and Kondakos were aware that representatives continued to post using aliases after this Statement was released.

22. The posting activity described above, mandated by the Respondents, was undertaken, in part, to create an appearance of greater interest in the securities of some of Agoracom’s clients.

IV. INTERCEPTION OF PRIVATE MESSAGES

23. Another feature available on the Agoracom platform is a “private messaging” service which, according to Agoracom’s web site, allows users to have “direct and private contact with other Agoracom members.”

24. From July 2008 to February 2009, Kondakos intercepted private messages sent between public users for the purpose of gathering information about reporting issuers and issuers, in which he was personally invested.

25. Kondakos forwarded private messages to a personal friend who was not associated with Agoracom and provided this individual with administrative access to the Agoracom website. This individual also intercepted private messages between public users, and forwarded these private messages to Kondakos.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

26. By engaging in the conduct described above, the Respondents have acted contrary to the public interest.

PART V – RESPONDENTS’ POSITION

27. The Respondents request that the settlement hearing panel consider the following:

- (a) Unlike account representatives at Agoracom, Mr. Purkis as the business development representative was never instructed by the Respondents to use alias postings. Mr. Purkis' activities have been subject to a separate Settlement Agreement with Staff.
- (b) Staff has not alleged that Kondakos or his friend traded in any securities based on information obtained from the interception of private messages.

PART VI – TERMS OF SETTLEMENT

- 28. The Respondents agree to the terms of settlement listed below.
- 29. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:
 - (a) The settlement agreement is approved.
 - (b) The registration granted to Agoracom Capital Inc. under Ontario securities law be terminated on the date of the Commission's order.
 - (c) The registrations granted to Tsiolis and Kondakos (the "Individual Respondents") under Ontario securities law be suspended for a period of 10 years commencing on the date of the Commission's order, and the Individual Respondents are prohibited from becoming or acting as a registrant or as an investment fund manager for a period of 10 years commencing on the date of the Commission's order.
 - (d) The Individual Respondents be permanently prohibited from becoming or acting as a director or officer of any client of Agoracom or any client of Agoracom's affiliates or subsidiaries;
 - (e) The Individual Respondents be prohibited from becoming or acting as a director or officer of any reporting issuer, registrant or investment fund manager for a period of 5 years commencing on the date of the Commission's order.

- (f) The Respondents will not trade or invest in any client of Agoracom or any client of Agoracom's affiliates or subsidiaries, save and except for options or placements that are part of a contractual compensation arrangement.
- (g) The Individual Respondents be reprimanded.
- (h) Within 24 hours of the date of the Commission's order, the Respondents will issue a press release, pre-approved by Staff (the "Press Release"), which shall include an electronic link to the within Settlement Agreement. The press release shall be posted on the home page of www.Agoracom.com for a period of 6 months commencing on the date of the Commission's order.
- (i) The Respondents will pay \$125,000, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties.
- (j) The Respondents will pay the costs of the Commission's investigation in the amount of \$25,000.

30. The Respondents, jointly and severally agree to make the payments ordered above as follows:

- (a) \$50,000 by certified cheque when the Commission approves this Settlement Agreement; and
- (b) 2 post-dated cheques, each in the amount of \$50,000.00, dated 9 months and 18 months following the approval of this Settlement

31. The Respondents undertake to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 29 (c) to (f) above.

PART VII – STAFF COMMITMENT

32. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 33 below.

33. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, including, but not limited to paragraph 37 below, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

34. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for November 10, 2010, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission’s Rules of Practice.

35. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondents’ conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

36. If the Commission approves this Settlement Agreement, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

37. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement, the Press Release or with any additional agreed facts submitted at the settlement hearing.

38. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission’s jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

39. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule “A” to this Settlement Agreement:

- (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the settlement hearing takes place will be without prejudice to Staff and the Respondents; and
- (b) Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

40. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

41. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

A fax copy of any signature will be treated as an original signature.

Dated this "10th" day of November, 2010.

"George Tsiolis"

AGORACOM INVESTOR RELATIONS CORP.,
by its duly authorized signatories

"George Tsiolis"

AGORA INTERNATIONAL ENTERPRISES CORP.,
by its duly authorized signatories

"George Tsiolis"

GEORGE TSIOLIS

"M. D' Souza"

Witness

"Paul Kondakos"

APOSTOLIS KONDAKOS
(a.k.a. PAUL KONDAKOS)

"M. D' Souza"

Witness

"Tom Atkinson"

Director, Enforcement Branch