

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

- AND -

**IN THE MATTER OF
ZORAN POPOVIC
AND DXSTORM.COM INC.**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

1. DXStorm.Com Inc. (“DXStorm”) is a reporting issuer in Ontario. DXStorm is a TSX Venture Exchange listed company and trades under the ticker symbol “DXX”.
2. Throughout 2002, the respondent Zoran Popovic, sometimes known as Zoran Popowitsch (“Popovic”), was the President, Chief Executive Officer and a director of DXStorm. Popovic controlled Desi Enterprises Inc., a company which owned or directly controlled more than 60 per cent of the issued and outstanding common shares of DXStorm.
3. Throughout 2002, Popovic maintained two personal trading accounts at TD Waterhouse Canada Inc. (“TD Waterhouse”). Account 84H801 was opened with TD Waterhouse’s discount brokerage division, TD Waterhouse Investor Services (Canada) Inc. Account 7B9430 was opened through TD Waterhouse Evergreen, the full service investment division of TD Waterhouse. Account 7B9430 is comprised of both a regular trading account and a Registered Retirement Savings Plan account.

4. During 2002, Popovic executed 89 trades in DXStorm shares in account 84H801.
5. During 2002, Popovic executed 14 trades in DXStorm shares in account 7B9430.
6. Section 107(2) of the Ontario *Securities Act*, R.S.O. 1990, c.S.5, as amended required Popovic to file a report of each change in his direct or indirect beneficial ownership of the reporting issuer, DXStorm. Section 107(2) required Popovic to file the reports within 10 days from the day the change took place.
7. Notwithstanding that he executed 103 trades in DXStorm in 2002, Popovic has not filed any section 107(2) reports in respect of those trades.
8. By failing to file insider trading reports as required by section 107(2), Popovic has repeatedly breached Ontario securities law and engaged in conduct contrary to the public interest.
9. DXStorm does not have in place a policy which deals with insider trading.
10. By failing to put in place a policy which deals with insider trading, DXStorm has engaged in conduct which is contrary to the public interest.

DATED AT TORONTO this 31st day of March, 2005.