

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

- and -

**IN THE MATTER OF
RICHARD OCHNIK AND 1464210 ONTARIO INC.**

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

Staff of the Ontario Securities Commission allege:

I. THE RESPONDENTS

1. Richard Ochnik (Ochnik) is a contractor and resides in the Province of Ontario.
2. 1464210 Ontario Inc. (1464210) is a private company incorporated under the laws of Ontario.

II. THE SCHEME INVOLVING OCHNIK AND 1464210

3. Between May 7, 2002 and November 18, 2002, Ochnik engaged in a RRSP/loan scheme. Ochnik incorporated 1464210 to develop a property as a retirement complex in Listowel, Ontario. He arranged for various individuals facing financial difficulty to invest in 1464210. These individuals were advised that if they collapsed their locked-in RRSPs or pensions and purchased shares in 1464210, they would receive a “non-repayable loan” for between 40 and 60% of their locked-in funds. If the individuals were interested, they were referred to a registered representative at TD-Waterhouse Canada Inc. (TD-W).

4. In February 2002, Ochnik met with the registered representative at TD-W. He told her that he had various individuals who wanted to invest in 1464210. He told her that he wanted TD-W to establish accounts for them and arrange for the transfer of the shares in 1464210 to the individuals.

5. After their meeting, Ochnik provided the registered representative with the documentation necessary to transfer the shares from 1464210 to the various individuals.

6. Ochnik agreed with TD-W that 1464210 would pay 7% of the funds paid into the client's account to TD-W as its commission.

7. After the investors opened accounts with TD-W, they collapsed their locked-in funds with other institutions and transferred them to their TD-W account.

8. When the funds arrived, the registered representative notified Ochnik. Ochnik then picked up the funds and provided the registered representative with one share for every dollar invested. The shares were deposited into the client's account. Upon receipt of the funds, Ochnik provided TD-W with a cheque for 7% of the amount received in the account as TD-W's commission.

9. Between June 7, 2002 and December 31, 2002, 43 clients of TD-W deposited approximately \$1.5 million in their accounts. These monies were paid out to 1464210.

10. Many of the investors did not receive their "non-repayable loans" that were promised to them.

11. Neither Ochnik nor 1464210 is registered to trade securities in Ontario.

12. 146420 is a private company. Its constating documents prohibit it from distributing securities to the public.

IV. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

13. Staff allege that:

- (a) Ochnik, and 1464210 engaged in a RRSP/loan scheme contrary to the public interest;
- (b) Ochnik and 1464210 traded securities without being registered with the Commission to trade securities and without an exemption from the requirement for registration contrary to Section 25 of the *Securities Act*, R.S.O. 1990, c. S5, as amended, (the *Act*); and
- (c) Ochnik and 1464210 distributed securities of 1464210 without the filing of a preliminary prospectus and prospectus and the obtaining of a receipt therefor from the Director contrary to Section 53 of the *Act*;

which conduct was contrary to the public interest.

DATED at Toronto this 19th day of September, 2005