



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
BRUCE CARLOS MITCHELL**

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

Staff of the Ontario Securities Commission (the “Commission”) make the following allegations:

THE RESPONDENT

1. The respondent, Bruce Carlos Mitchell (“Mitchell”), is a resident of Ottawa, Ontario.

OVERVIEW

2. This is a case involving an individual’s consistent failure to comply with the disclosure and reporting obligations imposed by Ontario securities law.
3. The disclosure and reporting requirements contained in Ontario securities law are designed to foster fair and efficient capital markets and to protect public confidence in the securities markets. Timely, accurate and efficient disclosure of information to investors is one of the primary means of achieving the purposes and objectives of Ontario securities law.
4. Between December 29, 2006 and December 31, 2008 (the “material period”), Mitchell contravened Ontario securities law by failing to comply with:
 - (a) the early warning requirements contained in Ontario securities law;
 - (b) the take-over bid requirements contained in Ontario securities law;
 - (c) the insider reporting requirements contained in Ontario securities law; and

- (d) the prospectus requirements of Ontario securities law or the conditions to the exemption from the prospectus requirements found in section 2.8 of National Instrument 45-102, *Resale of Securities*, including filing a Form 45-102F1, *Notice of Intention to Distribute Securities under Section 2.8 of NI 45-102 Resale of Securities*.
5. During the material period, Mitchell failed to comply with the above-noted filing and reporting requirements in excess of 375 times, as particularized in Schedule “A”.

ACQUISITION OF SHARES BY MITCHELL

6. Mitchell maintained at least 16 personal trading accounts at numerous brokerage firms (the “Personal Trading Accounts”) during the material period. In addition, Mitchell maintained discretionary trading authority over at least 12 brokerage accounts in the names of other individuals (the “Trading Authority Accounts” and collectively with the Personal Trading Accounts, the “Trading Accounts”).
7. Mitchell had beneficial ownership of and/or control or direction over the securities held in the Trading Accounts for the purposes of Ontario securities law.
8. During the material period, Mitchell directed trading in securities in the Trading Accounts in, *inter alia*, four companies (each, an “Issuer Company”), namely:
- (a) Imaging Dynamics Company Ltd.;
 - (b) Midnight Oil Exploration Ltd.;
 - (c) Solara Exploration Ltd.; and
 - (d) WIN Energy Corp.
9. During the material period, each Issuer Company was an issuer that was a reporting issuer in Ontario and the shares of each Issuer Company were voting or equity securities within the meaning of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
10. Mitchell acquired in excess of 10 percent of the outstanding shares of each Issuer Company during the material period.

FAILURE TO COMPLY WITH REPORTING REQUIREMENTS

11. Mitchell contravened Ontario securities law and engaged in conduct contrary to the public interest during the material period as described below and more particularly described in Schedule “A”:
- (a) On numerous occasions, Mitchell contravened the early warning requirements of Ontario securities law by,
 - (i) failing to file on a timely basis or at all, or filing a report containing inaccurate information, an early warning report and news release, contrary to former subsection 101(1) of the Act for the period prior to February 1, 2008 and subsection 102.1(1) of the Act for periods on or after February 1, 2008, in relation to the acquisition of 10 percent or more of the outstanding voting or equity securities of an Issuer Company;
 - (ii) failing to file on a timely basis or at all, or filing a report containing inaccurate information, an early warning report and news release, contrary to former subsection 101(2) of the Act for the period prior to February 1, 2008 and subsection 102.1(2) of the Act for periods on or after February 1, 2008, in relation to the additional acquisition of two percent or more of the outstanding voting or equity securities of an Issuer Company; and
 - (iii) failing to comply with the trading moratorium, imposed by former subsection 101(3) of the Act for the period prior to February 1, 2008 and subsection 102.1(3) of the Act for periods on or after February 1, 2008, in relation to the acquisition of outstanding voting or equity securities of an Issuer Company in respect of which an early warning report was required to be filed;
 - (b) On multiple occasions, Mitchell failed to comply with the take-over bid requirements contained in Part XX of the Act and the regulations made thereunder in relation to the acquisition of 20 percent or more of the outstanding voting or equity securities of an Issuer Company;

- (c) On numerous occasions, Mitchell failed to comply with the insider reporting requirements of Ontario securities law by failing to file on a timely basis or at all, or filing a report containing inaccurate information,
 - (i) an insider report within 10 days of becoming an insider of an Issuer Company disclosing any direct or indirect beneficial ownership of, or control or direction over, securities of an Issuer Company and such other disclosure required by the regulations, as required by subsection 107(1) of the Act; and
 - (ii) an insider report within 10 days of a change in the direct or indirect beneficial ownership of, or control or direction over, securities of an Issuer Company as required by subsection 107(2) of the Act;
- (d) On multiple occasions, Mitchell traded in securities of an Issuer Company at a time when, by virtue of his holdings of securities in that Issuer Company, he was presumed to be a “control person”, as defined in subsection 1(1) of the Act, in relation to that Issuer Company, with the result that any trade out of his holdings was a “distribution” of such securities subject to the prospectus requirements of Ontario securities law. On these occasions, Mitchell failed to comply with the prospectus requirements or the conditions to the exemption from the prospectus requirements in section 2.8 of National Instrument 45-102 *Resale of Securities*, including filing a Form 45-102F1, *Notice of Intention to Distribute Securities under Section 2.8 of NI 45-102 Resale of Securities*.

CONDUCT CONTRARY TO THE PUBLIC INTEREST

- 12. Staff allege that the Mitchell’s conduct set out above violated Ontario securities law as specified and constituted conduct contrary to the public interest.
- 13. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto this 22nd day of November, 2011