



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 THE GATEKEEPERS OF WEALTH INC. and  
JOSEPH BOCHNER**

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

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

**I. OVERVIEW**

1. Between September 21, 2006 and May 30, 2013, (the “Relevant Period”), The Gatekeepers of Wealth Inc. (“Gatekeepers”), and Joseph Bochner (“Bochner”, and, collectively, the “Respondents”) (1) traded and advised in securities without being registered, and (2) committed securities fraud. As a result, during the Relevant Period, the Respondents received in excess of \$160,000 in advisory fees, and at least nine investors were defrauded of over \$170,000.
2. Bochner also misled Staff during Staff’s investigation of this matter.
3. By this conduct, the Respondents breached sections 25 and 126.1, and of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”). Bochner also breached subsection 122(1) and section 129.2 of the Act. The Respondents also acted in a manner that was contrary to the public interest.

## **II. THE RESPONDENTS**

4. Gatekeepers is an Ontario corporation that has its registered office in Toronto, Ontario.
5. Bochner is a resident of Toronto, Ontario. Bochner is the directing mind of Gatekeepers. Bochner is the Secretary and President and a Director of Gatekeepers.

## **III. UNREGISTERED TRADING AND ADVISING**

6. During the Relevant Period, none of the Respondents were registered in any capacity with the Commission.
7. During the Relevant Period, the Respondents held themselves out as engaging in the business of advising with respect to investing or buying securities without registration. Among other things, from or in Ontario the Respondents spoke to or met with individual investors and provided advice to them including the Respondents' opinion on the wisdom or the desirability of the individual investors investing in their specific investments. The Respondents also emailed advice to these individual investors. The Respondents also spoke with and advised investment representatives managing the portfolios of some of these investors. Some of these investors were charged by the Respondents a fee for this investment advice of approximately \$2,000 to \$2,600 per year, and in at least one instance \$10,000 per year. These fees added to in excess of \$160,000 during the Relevant Period
8. During the Relevant Period, the Respondents participated in acts, solicitations, conduct, or negotiations, directly or indirectly, in furtherance of the sale or disposition of securities for valuable consideration, in circumstances where there were no exemptions available to the Respondents under the Act. Among other things, the Respondents from Ontario advised and solicited a number of individuals to provide their money to Gatekeepers on the promise that the money would be used to purchase Government of Canada bonds on their behalf. As a result, the Respondents received in excess of \$170,000 of investor funds.
9. Through these acts, the Respondents (1) traded in securities without being registered to trade in securities and (2) held themselves out as engaging in the business of advising with respect to investing or buying securities without being registered to advise in securities contrary to section 25 of the Act as that section existed at the time the conduct at issue commenced in

September 2006, contrary to section 25(1) of the Act, as subsequently amended on September 28, 2009.

#### **IV. FRAUDULENT CONDUCT**

10. During the Relevant Period, in or from Ontario, the Respondents advised and solicited a number of individuals with respect to securities; and, in doing so, the Respondents provided information to them that was false, inaccurate and/or misleading with respect to, but not limited to, the following matters:
  - a. their money would be used to purchase Government of Canada bonds on their behalf;
  - b. the bonds they purchased would be held in trust for them by Gatekeepers; and
  - c. their investments were redeemable and safe as their money was placed in government bonds.
11. As a result, at least nine investors invested over \$170,000 with the Respondents in this manner.
12. Once in possession of these investor funds, the Respondents caused the funds raised to be utilized for purposes other than as intended and disclosed to the investors. Once the investor funds were received into the Gatekeeper bank account in Toronto, Ontario, they were transferred in a short period of time to the bank account of Bochner's wife. These funds were then used to pay Bochner's day-to-day expenses; for example, they were used to pay Bochner's groceries, rent, and credit card payments. None of the investor funds was invested in Government of Canada Bonds or in other investments. The Gatekeepers bank account was closed on May 30, 2013.
13. By this conduct, during the Relevant Period, the Respondents directly or indirectly engaged or participated in an act, practice or course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons purchasing securities, contrary to section 126.1 of the Act.

## **V. MISLEADING STATEMENTS**

14. During Bochner's compelled examination during Staff's investigation, he made numerous statements that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading.

15. In particular, Bochner misled Staff by:

- a. advising Staff that the investor funds had been used to purchase Government of Canada bonds;
- b. advising Staff that the investor funds had not been used to pay his day-to-day expenses;
- c. advising Staff that Gatekeepers had another bank account in Calgary, Alberta; and
- d. advising Staff that the investors' bonds were in a trading account in New York State.

16. These statements were materially misleading and were not corrected by Bochner until he was confronted with evidence to the contrary by Staff. These statements concealed the truth, which was that, shortly after they were received, Bochner had transferred the investor funds from the Gatekeepers' bank account to his wife's bank account and then used the funds to pay his day-to-day expenses. The bank account in Calgary does not exist and the investors' bonds were not in a trading account in New York State.

17. Bochner's conduct in making misleading statements to Staff was a breach of subsection 122(1) of the Act.

## **VI. LIABILITY OF DIRECTORS AND OFFICERS**

18. During the Relevant Period, Bochner as a director and officer of Gatekeepers authorized, permitted or acquiesced in Gatekeepers' non-compliance with Ontario securities law, and accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the Act.

## **VII. CONDUCT CONTRARY TO THE PUBLIC INTEREST**

19. By reason of the foregoing, the Respondents engaged in conduct contrary to the public interest.

20. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 3<sup>rd</sup> day of September, 2014.