



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
YORK RIO RESOURCES INC., BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC, GEORGE SCHWARTZ, PETER ROBINSON,
ADAM SHERMAN, RYAN DEMCHUK, MATTHEW OLIVER,
GORDON VALDE AND SCOTT BASSINGDALE**

ORDER

(Sections 37, 127 and 127.1 of the Securities Act)

WHEREAS on March 2, 2010, the Commission issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the Act, accompanied by a Statement of Allegations dated March 2, 2010 issued by Staff of the Commission (“**Staff**”) with respect to York Rio Resources Inc. (“**York Rio**”), Brilliante Brasilcan Resources Corp. (“**Brilliante**”), Victor York (“**York**”), Robert Runic (“**Runic**”), George Schwartz (“**Schwartz**”), Peter Robinson (“**Robinson**”), Adam Sherman (“**Sherman**”), Ryan Demchuk (“**Demchuk**”), Matthew Oliver (“**Oliver**”), Gordon Valde (“**Valde**”) and Scott Bassingdale (“**Bassingdale**”);

AND WHEREAS on November 5, 2010, the Commission approved a settlement agreement between Staff and Robinson;

AND WHEREAS on June 6, 2011, the Commission approved a settlement agreement between Staff and Sherman;

AND WHEREAS a hearing on the merits with respect to York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale (together, the “**Respondents**”) was held before the Commission on March 21, 22, 23, 24 and 28, 2011, April 5, 2011, May 2 and 3, 2011, June 6, 8, 9, 10, 13, 14, 15, 16 and 17, 2011, July 20, 21, 22, 26 and 27, 2011, August 3, 9, 11, 12, 19 and 22, 2011, September 21 and 28, 2011, November 1, 2011, and December 19 and 21, 2011, and written submissions were filed on December 25 and 27, 2011;

AND WHEREAS following the hearing on the merits, the Commission issued its Reasons and Decision on the merits on March 25, 2013 (the “**Merits Decision**”);

AND WHEREAS in the Merits Decision, the Commission found that the Respondents contravened Ontario securities law and acted contrary to the public interest;

AND WHEREAS on March 25, 2013, the Commission ordered that: (i) Staff shall file and serve written submissions on sanctions and costs by April 15, 2013; (ii) each Respondent shall file and serve written submissions on sanctions and costs by April 29, 2013; (iii) Staff shall file and serve reply submissions on sanctions and costs by May 6, 2013; (iv) the hearing to determine sanctions and costs will be held at the offices of the Commission on May 14, 2013 (the “**Sanctions and Costs Hearing**”); and (v) upon failure of any party to attend the Sanctions and Costs Hearing, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;

AND WHEREAS Staff, York and Schwartz filed written submissions on sanctions and costs in advance of the Sanctions and Costs Hearing;

AND WHEREAS on May 14, 2013, Staff, York, Oliver and Valde attended at the Sanctions and Costs Hearing and made oral submissions as to the appropriate sanctions and costs, and Schwartz stated, in his written submissions on sanctions and costs, that he would not attend the Sanctions and Costs Hearing;

AND WHEREAS the Commission was satisfied that the Respondents had been given notice of the Sanctions and Costs Hearing in accordance with section 6 of the *Statutory Powers Procedure Act*, R.S.O. c. S.22, as amended, and therefore that the Commission was authorized to proceed with the hearing in the absence of Runic, Demchuk and Bassingdale, who did not attend the Sanctions and Costs Hearing or provide written submissions on Sanctions and Costs;

AND WHEREAS, upon considering the submissions of Staff, York, Schwartz, Oliver and Valde on the appropriate sanctions and costs, the Commission is of the opinion that the following orders are in the public interest;

IT IS ORDERED THAT:

1. pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale shall cease permanently;
2. pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently;
3. pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale permanently;

4. pursuant to clause 7 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale shall resign any position he holds as a director or officer of an issuer;
5. pursuant to clause 8 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of any issuer;
6. pursuant to clause 8.2 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of a registrant;
7. pursuant to clause 8.4 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of an investment fund manager;
8. pursuant to clause 8.5 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;
9. pursuant to section 37 of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities;
10. pursuant to clause 9 of subsection 127(1) of the Act, each of the Respondents shall pay an administrative penalty in the following amounts, which shall be designated for use or allocation by the Commission pursuant to subsection 3.4(2)(b) of the Act:
 - (a) York Rio shall pay an administrative penalty of \$1 million;
 - (b) Brilliante shall pay an administrative penalty of \$1 million;
 - (c) York shall pay an administrative penalty of \$1 million;
 - (d) Schwartz shall pay an administrative penalty of \$1 million;
 - (e) Runic shall pay an administrative penalty of \$1 million;
 - (f) Demchuk shall pay an administrative penalty of \$200,000;
 - (g) Oliver shall pay an administrative penalty of \$75,000;
 - (h) Valde shall pay an administrative penalty of \$190,000; and
 - (i) Bassingdale shall pay an administrative penalty of \$150,000;
11. pursuant to clause 10 of subsection 127(1) of the Act, each of the Respondents shall disgorge to the Commission the following amounts, which shall be

designated for use or allocation by the Commission pursuant to subsection 3.4(2)(b) of the Act:

- (a) York shall disgorge to the Commission, on a joint and several basis with York Rio, \$4.1 million;
- (b) Schwartz shall disgorge to the Commission, on a joint and several basis with York Rio, \$2.75 million;
- (c) Runic shall disgorge to the Commission, on a joint and several basis with York Rio, \$9.2 million;
- (d) Demchuk shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, \$218,833.74;
- (e) Oliver shall disgorge to the Commission, on a joint and several basis with York Rio, \$118,615.91;
- (f) Valde shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, \$193,435.26;
- (g) Bassingdale shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, \$155,595.40;
- (h) for clarity, Staff or any Respondent may apply to the Commission, pursuant to section 144 of the Act, to vary or revoke clauses 11(a) -(g) of this Order in the event of a change in circumstances; and

12. pursuant to section 127.1 of the Act, the Respondents shall pay the Commission's costs of the investigation and hearing in the following amounts:

- (a) York Rio, Brilliante, York and Schwartz shall pay costs of \$272,500 on a joint and several basis;
- (b) Runic shall pay costs of \$40,000;
- (c) Demchuk shall pay costs of \$8,000;
- (d) Oliver shall pay costs of \$8,000;
- (e) Valde shall pay costs of \$8,000; and
- (f) Bassingdale shall pay costs of \$8,000.

DATED at Toronto this 31st day of March, 2014.

"Vern Krishna"

"Edward P. Kerwin"

Vern Krishna, CM, QC

Edward P. Kerwin