



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 MATTHEW SCHLOEN

- and -

**IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION AND MATTHEW SCHLOEN**

ORDER

(Subsections 127(1) and 127(2) and Section 127.1)

WHEREAS the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing dated April 3, 2014 (the “Notice of Hearing”) pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in connection with a Statement of Allegations filed on April 3, 2014 by Staff of the Commission (“Staff”) to consider whether it is in the public interest to make certain orders against Matthew Schloen (“Schloen”);

AND WHEREAS Schloen entered into a Settlement Agreement with Staff (the “Settlement Agreement”) on March 30, 2014, in which Schloen and Staff agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS the Commission has reviewed the Notice of Hearing, the Statement of Allegations and the Settlement Agreement, and upon hearing submissions from Schloen and from Staff;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT:

- (a) The Settlement Agreement is approved;
- (b) Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Schloen shall cease for three years from the date of the Order;
- (c) Pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Schloen shall be prohibited for three years from the date of the Order;
- (d) Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Schloen for three years from the date of the Order;
- (e) Pursuant to paragraph 6 of subsection 127(1) of the Act, Schloen is reprimanded;
- (f) Pursuant to clause 9 of subsection 127(1) of the Act, Schloen shall pay an administrative penalty of \$5,000 to the Commission which shall be designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
- (g) Pursuant to clause 10 of subsection 127(1) of the Act, Schloen shall disgorge to the Commission the sum of \$23,000, representing the profit made on the sale of the Bridgewater shares, which shall be designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
- (h) Pursuant to section 127.1 of the Act, Schloen shall pay the costs of the Commission's investigation in the amount of \$5,000;
- (i) With regard to the monetary orders in subparagraphs (f), (g) and (h) (the "Monetary Orders") Schloen shall make a payment of \$2,500 by certified cheque when the Commission approves the Settlement Agreement. Schloen further shall pay at least \$6,100 annually following the date of the Order until the Monetary Orders are paid in full, and in the event that Schloen fails to make any of the payments in compliance with the payment schedule set out above, the remaining unpaid balance shall become due and payable immediately;
- (j) After the Monetary Orders are paid in full, as an exception to the provisions of paragraphs (b), (c) and (d), Schloen will be permitted to trade in or acquire

securities in his personal registered retirement savings plan (“RRSP”) accounts and/or tax-free savings accounts (“TFSA”), and/or for any registered education savings plan (“RESP”) accounts for which he is the or a sponsor;

- (k) Despite the restrictions set out above, Schloen shall be permitted to continue to participate in his employer’s Employee Stock Purchase Plan, provided he sell any stock within two weeks of the purchase date, and to participate fully in the Employee Retirement Plan of his employer and;
- (l) Until the entire amount of the Monetary Orders are paid in full, the provisions of paragraphs (b), (c), and (d) above shall continue in force without any limitation as to time.

DATED AT TORONTO this 17th day of April, 2014.

“Edward P. Kerwin”

Edward P. Kerwin