



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 ONTARIO WEALTH MANAGEMENT CORPORATION,  
carrying on business as OWEMANCO**

**ORDER  
(Subsection 127(1))**

**WHEREAS** on February 5, 2015, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing (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 relation to the Statement of Allegations (the “Statement of Allegations”) filed by Staff of the Commission (“Staff”) on February 5, 2015 in respect of Ontario Wealth Management Corporation carrying on business as OWEMANCO (“OWEMANCO”);

**AND WHEREAS** OWEMANCO entered into a Settlement Agreement with Staff dated February 5, 2015 (the “Settlement Agreement”) in which OWEMANCO 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 Notice of Hearing dated February 5, 2015 also announced that the Commission proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement;

**AND WHEREAS** on April 18, 2014, OWEMANCO engaged North Star Compliance and Regulatory Solutions Inc. (the “Consultant”) to design and implement a compliance improvement plan;

**AND UPON** reviewing the Notice of Hearing, the Statement of Allegations and the Settlement Agreement and upon hearing submissions from OWEMANCO and 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 paragraph 1 of subsection 127(1) of the Act, the following terms and conditions are placed on OWEMANCO’s registration:
  - (i) The Consultant shall at OWEMANCO’s own expense:
    1. prepare and assist OWEMANCO in implementing a plan (the “Plan”) to strengthen OWEMANCO’s “compliance system” within the meaning of section 11.1 of NI 31-103 including the expected dates of completion and person(s) responsible for the implementation. In the Plan, the Consultant will examine OWEMANCO’s operations, internal policies, practices and procedures and make recommendations for rectifying all identified compliance deficiencies raised in a Compliance Report dated August 12, 2013;
    2. review OWEMANCO’s progress with respect to implementation of the Plan;
    3. submit written progress reports (“Progress Reports”) to Staff detailing:

- a. OWEMANCO's progress with respect to the implementation of the Plan and stating whether the specific recommendations included in the Plan have been appropriately implemented;
  - b. the expected date of completion and person(s) responsible for any recommendations that have not yet been implemented; and
  - c. the testing done and the results of such testing by the Consultant in relation to the recommendations that have been implemented to determine whether OWEMANCO's procedures are working effectively and are being enforced; and
4. submit a letter to Staff attesting that:
- a. OWEMANCO has implemented the procedures and controls recommended by the Consultant that address each of the deficiencies identified in the Compliance Report and that strengthen OWEMANCO's compliance system;
  - b. OWEMANCO is complying with the new procedures and controls; and
  - c. In his or her capacity as Consultant, the Consultant has tested the procedures and they are working effectively and are being enforced;
- (ii) The Consultant shall provide the Plan to Staff for review and approval no later than February 16, 2015;
- (iii) The Plan and the Progress Reports must be reviewed and approved by the ultimate designated person ("UDP") and CCO of OWEMANCO and signed by the UDP and CCO of OWEMANCO as evidence of their review and approval;
- (iv) The Consultant shall submit the Progress Reports to Staff every 60 days following approval of the Plan by Staff until Staff is satisfied that the Plan has been appropriately implemented and is being enforced;

- (v) The Consultant shall remain in place until the letter referred to in subparagraph (i)4 above has been delivered to Staff and Staff is satisfied that the Plan has been appropriately implemented and is being enforced;
  - (vi) OWEMANCO shall immediately submit to the Commission a direction from OWEMANCO giving consent to unrestricted access by Staff to communicate with the Consultant regarding OWEMANCO's progress with respect to the implementation of the Plan or any of its specific recommendations; and
  - (vii) In the event that the Consultant's relationship with OWEMANCO is terminated for any reason prior to the date referred to in subparagraph v above, any replacement Consultant put forward by OWEMANCO shall be subject to approval by Staff; and
- (c) Pursuant to paragraph 9 of subsection 127(1) of the Act, OWEMANCO shall pay the amount of \$100,000 by way of a certified cheque to be delivered to Staff before the commencement of the settlement hearing, for allocation or use in accordance with subsection 3.4(2)(b) of the Act.

**DATED AT TORONTO** this 9<sup>th</sup> day of February, 2015.

*"James E. A. Turner"*

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James E. A. Turner