BRITISH COLUMBIA SECURITIES COMMISSION
Securities Act, RSBC 1996, c. 418

Citation: Re HRG Healthcare, 2016 BCSECCOM 5 Date: 20160108

HRG Healthcare Resource Group Inc.,
Alexander Downie and Daniel G. Mohan

Panel	Nigel P. Cave	Vice Chair
	Audrey T. Ho	Commissioner
	Don Rowlatt	Commissioner
Hearing Date	November 3, 2015	
Date of Decision	January 8, 2016	

Appearances

Olubode Fagbamiye	For the Executive Director
Alexander Downie	For himself
Daniel G. Mohan	For himself

Decision

I. Introduction

[1] This is the sanctions portion of a hearing under sections 161(1) and 162 of the *Securities Act*, RSBC 1996, c. 418. The Findings of this panel on liability made on August 21, 2015 (2015 BCSECCOM 326) are part of this decision. These are the reasons of all panel members on all issues, except for the decision on orders under section 161(1)(g) of the Act. Commissioner Rowlatt's reasons, Vice Chair Cave's concurring but separate reasons, and Commissioner Ho's dissenting reasons on that issue are below.

[2] The panel found that:

a) with respect to contraventions of section 61,
   (i) HRG breached section 61 with respect to distributions to 109 investors totaling $4,009,000;
   (ii) Downie breached section 61 with respect to distributions to 22 investors totaling $693,500;
   (iii) Mohan breached section 61 with respect to distributions to 34 investors totaling $1,709,850;

b) Downie, as a director of HRG, is liable under section 168.2(1) for the contraventions of section 61 by HRG with respect to its distributions to 109 investors totaling $4,009,000;

c) Mohan, as a director of HRG, is liable under section 168.2(1) for the contraventions of section 61 by HRG with respect to its distributions to 86 investors totaling $3,481,000;

d) HRG is liable under section 168.1(1)(b) in respect of 10 Exempt Distribution Reports filed by HRG;

e) Downie, as a director of HRG, is liable under section 168.2(1) for the contraventions of section 168.1(1)(b) by HRG in respect of eight EDRs filed by HRG; and

f) Mohan, as a director of HRG, is liable under section 168.2(1) for the contraventions of section 168.1(1)(b) by HRG in respect of two EDRs filed by HRG.

[3] The executive director and each of Downie and Mohan provided submissions on sanction. HRG did not provide any submissions on sanction.

II. Position of the Parties

Executive Director

[4] The executive director seeks the following orders:

HRG

(a) under section 161(1)(b), permanently prohibiting all persons from trading or purchasing the securities of HRG and permanently prohibiting HRG from trading in securities; and

(b) under section 161(1)(g), to pay not less than $4.009 million, being the amount obtained through its contravention of the Act.

Downie

(a) under sections 161(1)(b) and (d), permanently prohibiting Downie from:

(i) trading securities;

(ii) acting as a registrant or promoter;

(iii) acting in a management or consultative capacity in connection with activities in the securities market; and

(iv) engaging in investor relations activities;

(b) under section 161(1)(d), Downie resign any position he holds as a director or officer of any issuer and is permanently prohibited from becoming or acting as a director or officer of any issuer;

(c) under section 162, Downie pay an administrative penalty of $500,000; and

(d) under section 161(1)(g), Downie pay at least $4.009 million, being the amount obtained through his contravention of the Act.

Mohan

(a) under sections 161(1)(b) and (d), permanently prohibiting Mohan from:

(i) trading securities;

(ii) acting as a registrant or promoter;

(iii) acting in a management or consultative capacity in connection with activities in the securities market; and

(iv) engaging in investor relations activities;

(b) under section 161(1)(d), Mohan resign any position he holds as a director or officer of any issuer and is permanently prohibited from becoming or acting as a director or officer of any issuer;

(c) under section 162, Mohan pay an administrative penalty of $500,000; and

(d) under section 161(1)(g), Mohan pay at least $3.4 million, being the amount obtained through his contravention of the Act.

[5] The executive director's written submissions requested that Downie and Mohan should be made jointly and severally liable for the $500,000 administrative penalty under section 162. In his oral submissions, the executive director submitted that, alternatively, we make an order under section 162 for an administrative penalty of $250,000 against each of Downie and Mohan.

[6] The executive director also submitted that HRG, Downie and Mohan should be made jointly and severally liable with respect to our disgorgement orders under section 161(1)(g). He submitted that HRG, Downie and Mohan should be made jointly and severally liable with respect to the payment of $3,481,000 under section 161(1)(g) and that HRG and Downie should be jointly and severally liable with respect to the payment of a further $528,000 under section 161(1)(g).

Downie

[7] Downie's written submissions and supporting materials all went to the issue of his liability under section 61 with respect to the allegations in the notice of hearing. Our Findings already address those matters. Therefore, those submissions were not relevant to our consideration of the appropriate sanctions in this case.

[8] Downie's oral submissions focused on his personal circumstances. In particular, he submitted that he had been a substantial investor in HRG and the failure of that business had left him with limited financial resources. Further, due to his age and prospects for employment he would not be in a position to pay any significant financial sanctions. There is evidence to support Downie's substantial investment in HRG but he provided no evidence of his current financial resources or future employment prospects.

Mohan

[9] Mohan's written submissions went to the issue of his liability under section 61 with respect to the allegations in the notice of hearing and his view that these proceedings were unfair as the Commission had failed to bring allegations against other members of the HRG management team.

[10] His submissions on liability are not relevant to our consideration of the appropriate sanctions in this case.

[11] Mohan's complaint that the proceedings were unfair is also not relevant to sanction. The issue before us, throughout the hearing, was whether the allegations made by the executive director against him were proven by the evidence produced during the hearing. Whether the executive director should or should not have made allegations against other people is not for us to consider or determine.

III. Analysis

A. Factors

[12] Orders under sections 161(1) and 162 of the Act are protective and preventative, intended to be exercised to prevent future harm. See *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)* 2001 SCC 37.

[13] In *Re Eron Mortgage Corporation* [2000] 7 BCSC Weekly Summary 22, the Commission identified factors relevant to sanction as follows (at page 24):

> In making orders under sections 161 and 162 of the Act, the Commission must consider what is in the public interest in the context of its mandate to regulate trading in securities. The circumstances of each case are different, so it is not possible to produce an exhaustive list of all of the factors that the Commission considers in making orders under sections 161 and 162, but the following are usually relevant:

- the seriousness of respondent's conduct,
- the harm suffered by investors as a result of the respondent's conduct,
- the damage done to the integrity of the capital markets in British Columbia by the respondent's conduct,
- the extent to which the respondent was enriched,
- factors that mitigate the respondent's conduct,
- the respondent's past conduct,
- the risk to investors and the capital markets posed by the respondent's continued participation in the capital markets of British Columbia,
- the respondent's fitness to be a registrant or to bear the responsibilities associated with being a director, officer or adviser to issuers,
- the need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of access to the capital markets,
- the need to deter those who participate in the capital markets from engaging in inappropriate conduct, and
- orders made by the Commission in similar circumstances in the past.

B. Application of the Factors

Seriousness of the conduct

[14] Contraventions of section 61 of the Act are inherently serious. This section is one of the Act's foundational requirements for protecting investors and preserving the integrity of the capital markets. It requires those who wish to distribute securities, file a prospectus with the Commission. This is intended to ensure that investors receive the information necessary to make an informed investment decision.

[15] The legislation provides exemptions from section 61 if the issuer and those who trade in securities follow certain specified requirements. These requirements are designed to protect investors and markets, so persons who intend to rely on the exemptions must ensure that they are met.

[16] In this case, certain investors did sign investment agreements that confirmed the factual basis for the availability of an exemption from the prospectus requirements. However, it is clear that the respondents were not diligent in determining whether the requirements of the exemptions were met with respect to many other investors with the result that those investors were denied the protections intended by the Act.

[17] There was no evidence that the respondents intentionally structured their affairs to avoid the provisions of the Act. In this respect, the respondents' conduct was either careless or reckless or both.

Harm to investors

[18] The respondents raised $4.45 million from 123 investors. All of the investors in HRG have lost their investments.

[19] Oral testimony and written victim impact statements from investors provided evidence that the financial loss to investors has been significant and those losses have had an impact on financial and other plans.

Past misconduct/Aggravating or mitigating factors

[20] None of the respondents have a history of regulatory misconduct.

[21] The executive director submits that we should treat the respondents' various contraventions of section 168.1(1)(b) as aggravating factors. We do not agree with this submission. A separate contravention of the Act is not an aggravating factor, it is a separate misconduct for which we must determine the appropriate sanction. We do not find there to be any aggravating or mitigating factors in this case.

Market risk/Fitness to be a registrant or director, officer or adviser to issuers

[22] Recklessness or carelessness with respect to compliance with securities laws in the context of illegal distributions represents a significant risk to our capital markets. In *Solara Technologies Inc. and William Dorn Beattie* 2010 BCSECCOM 357 (para 23), the panel said:

> Although we did not find that Solara or Beattie knowingly contravened the Act, they were sloppy about ensuring that the exemptions were available. Their carelessness and demonstrated failure to ensure compliance with requirements when raising capital suggests the potential for significant risk to our capital markets were they to continue to participate in them unrestricted.

[23] We agree with these comments as they apply to the respondents.

Enrichment

[24] There is no evidence that Downie was enriched by the illegal distributions. In fact, Downie was a significant investor in HRG and that investment has been lost as part of the failure of the business. Financial records show that Downie lost at least $750,000 in connection with his investment in HRG.

[25] The evidence shows that Mohan received $103,530 in commissions for introducing investors to HRG.

Specific and general deterrence

[26] The sanctions we impose must be sufficient to ensure that the respondents and others will be deterred from engaging in similar misconduct.

Previous orders

[27] The executive director submits that the decisions of this Commission in *Armadillo Energy Inc. (Re)*, 2013 BCSECCOM 409 and *JV Raleigh Superior Holdings Inc. (Re)*, 2012 BCSECCOM 492 support his requested sanctions in this case.

[28] In *Armadillo*, the issuer raised approximately $870,000 from 26 investors in British Columbia in contravention of sections 34 and 61 of the Act. All of the respondents other than the issuer entered into settlement agreements with the Commission. The panel banned the issuer from the capital markets permanently and ordered it to pay an administrative penalty of $800,000. The problem with using this decision as guidance in the case before us is that that decision does not set out the reasons that the panel reached that figure nor the factors that the panel considered in that case.

[29] In *JV Raleigh*, the issuer and two individual respondents illegally distributed $5.7 million of securities of JV Raleigh. The panel ordered that the respondents be permanently barred from the capital markets. They ordered the three respondents to pay disgorgement orders in the amount of the funds illegally raised (i.e. $5.7 million) and the two individual respondents to pay administrative penalties of $750,000 (for the respondent with a history of securities regulatory misconduct) and $500,000, respectively.

[30] The panel found the respondents' misconduct to be on the level with that of fraud as the evidence indicated that the respondents did not use the funds in the manner that they told investors that they would. One of the individual respondents had a history of securities regulatory misconduct that was of a similar nature to that before the panel. In addition, there was clear evidence that one of the individual respondents was directly enriched by the funds illegally raised. The panel also found that most of the funds raised illegally were forwarded to entities that were controlled by the individual respondents. The panel found that both of the individual respondents received a significant financial benefit as a result.

[31] There are few, if any, similarities between the conduct of the respondents in *JV Raleigh* and the respondents in the case before us. We do not find the *JV Raleigh* case to be of assistance to us in considering the appropriate sanction in this case.

[32] The parties did not present us with any previous decisions of this Commission that we found to be of assistance in assessing the appropriate sanctions for the respondents, however, there are recent Commission decisions that provide guidance. We discuss them below.

[33] We find the decisions in *VerifySmart et al.*, 2012 BCSECCOM 176, *Photo Violation Technologies Corp. et al.*, 2013 BCSECCOM 96 and *Streamline Properties Inc. (Re)*, 2015 BCSECCOM 66 as the most applicable to the case before us.

[34] In *VerifySmart*, the Commission found that the respondents had raised over $1.2 million from 99 investors through illegal distributions. The Commission accepted the individual respondents' submissions that they did not intentionally contravene the Act. The individual respondents were not enriched and did not otherwise benefit from their misconduct. Rather, they both lost their own money in the business. The Commission banned the individual respondents from the capital markets for five years, ordered each of

them to pay an administrative penalty of $50,000, and ordered them and the corporate respondents to pay to the Commission the $1.2 million raised. In doing so, the Commission rejected the individual respondents' submissions that they had no current ability to pay any financial sanction, on the basis that neither provided any evidence to prove that assertion nor would any such evidence be proof of their inability to pay in the future should their circumstances change.

[35] In *Photo Violation*, the Commission found that the corporate respondent and the individual respondents raised $3,571,604 from 272 investors through illegal distributions. The Commission imposed a five year market ban (with some exemptions) on the individual respondents. The panel declined to order any financial sanctions against the respondents. In so doing, the panel took into consideration that the individual respondents had not been personally enriched and had, in fact, lost substantial sums in investing in the corporate respondent. The panel further found, as mitigating factors, that the respondents had retained legal counsel to assist in completing the financings and that one of the respondents admitted to their misconduct at the commencement of the proceedings.

[36] In *Streamline*, the respondents raised approximately $3.6 million through illegal distributions. One of the two individual respondents also was found to have committed fraud and breached a previous order of the Commission. With respect to the illegal distributions, the panel found that the respondents were careless or reckless with respect to compliance with securities laws. The panel found that the respondents' misconduct was aggravated by the fact that some of the investors not only lost their investments but were unknowingly made liable for certain liabilities of one of the corporate respondents. The panel ordered the individual respondent who was involved in the illegal distributions (but not the fraud or breach of order) to pay to the Commission $3.6 million under a disgorgement order and a $100,000 administrative penalty, and he was banned from our capital markets for 10 years.

C. Appropriate Orders

Market prohibitions

[37] Given that HRG's business has failed and investors have lost all of their money, we think it appropriate to impose a permanent ban on the corporation issuing any further securities.

[38] We do not agree with the executive director that permanent market prohibitions are appropriate with respect to Mohan and Downie. While their misconduct was serious, we do not see any aggravating factors or any other reason to think that these two individuals represent risks to our markets which warrant a permanent market ban.

[39] We view the seriousness of the conduct of Downie and Mohan as falling in between the individual respondents in *VerifySmart* and *Photo Violation* and the individual respondent in *Streamline* who did not commit fraud or breach a Commission order. Therefore, we find that seven-year market prohibitions are appropriate in the circumstances.

Administrative penalties

[40] We do not agree with the executive director's written submissions requesting an administrative penalty of $500,000, which amount would be applied joint and severally to the individual respondents.

[41] A request for a joint and several administrative penalty was recently rejected in *Re Falls*, 2015 BCSECCOM 422 at paragraph 66:

> We do not agree with the executive director's request that the amount of the administrative penalty be ordered, jointly and severally, against all of the respondents. Fundamentally, an administrative penalty, applied jointly and severally, is inconsistent with the principles of sanctioning. When considering specific deterrence in the context of the quantum of an administrative penalty, we must determine the amount of financial sanction as it may apply to each respondent. An amount applied, jointly and severally, may be enforced such that each respondent pays all or none of the amount ordered, or any amount in between. A specific respondent may not end up paying any amount, and therefore, there would be no specific deterrent effect of that order. This makes it impossible to determine if the actual administrative penalty is appropriate or not.

We agree with that reasoning.

[42] In oral submissions, the executive director asked for separate administrative penalties of $250,000 against each of the individual respondents. Again, we do not agree with the executive director that administrative penalties of that magnitude are appropriate in the circumstances. When we consider the nature of the misconduct, the individual circumstances of the respondent Downie, we find that administrative penalties in the range suggested, in *VerifySmart* and *Photo Violation*, on the lower end, and in *Streamline*, on the upper end, are far more appropriate and proportionate to the misconduct.

[43] The executive director has not asked that a separate sanction be imposed for the respondents' contraventions of section 168.1(1)(b). In this case, where there are separate contraventions that are directly related to the same illegal distributions under section 61, we do not find it necessary to impose further, separate, sanctions on the respondents for this misconduct.

Reasons for Decision of Don Rowlatt, Commissioner - Section 161(1)(g) orders

[44] The majority decision in *Streamline* set out an approach to the consideration of orders under section 161(1)(g). That decision states that an order can be made under section 161(1)(g) with respect to any amount obtained as a result of a contravention or failure to comply. Disgorgement orders need not be limited to amounts obtained by a particular respondent or equate to a respondent's enrichment in the circumstances. Orders under

the section are to be applied equitably and in the public interest and are not to be punitive in the circumstances.

[45] HRG directly obtained the $4,009,000 through illegal distributions and we clearly have the authority to order it to pay the full amount to the Commission under section 161(1)(g).

[46] We have found that Downie and Mohan was each directly responsible for certain of the illegal distributions. In addition, as directors, Downie and Mohan directed the affairs of HRG. We have found that each of them is liable for HRG's contraventions during the respective periods while they were directors.

[47] As a result, an order under section 161(1)(g) for the full amount of the illegal distributions could be made against each of HRG and Downie, and an order for $3,481,000 of the illegal distributions could be made against Mohan.

[48] However, as can be seen from the *VerifySmart, Photo Violation* and *Streamline* decisions, the application of section 161(1)(g) in illegal distribution cases can vary depending on the circumstances of each case.

[49] In this case, the respondents sought to use the money in the manner set out in the business plan of HRG and articulated to investors. There was no evidence that the individual respondents were enriched. Indeed, while not a mitigating factor, Downie lost a considerable amount of his own funds. Other than as set out below, it is not in the public interest, in these circumstances, to make an order under section 161(1)(g) against the respondents.

[50] Mohan did receive commissions in the amount of $103,530 from HRG for his role in its capital raising efforts. Downie did not receive any commissions associated with his role in HRG's capital raising. It is appropriate and in the public interest to make an order under section 161(1)(g) against Mohan with respect to the commissions he received from HRG. A respondent should not benefit from participating in illegal distributions.

Reasons for Decision of Nigel P. Cave, Vice Chair - Section 161(1)(g) orders

[51] I concur with the decision of Commissioner Rowlatt in all respects other than the reasoning associated with the disgorgement orders against the respondents under section 161(1)(g).

[52] I would make the same disgorgement orders pursuant to section 161(1)(g) but for different reasons.

[53] In considering whether disgorgement orders are appropriate against the respective respondents, I approach the question in the manner set out in my dissent in *Streamline Properties Inc. (Re)*, 2015 BCSECCOM 66.

[54] The key tenet of that analysis is to view section 161(1)(g) as a disgorgement provision and not a compensation provision – the intent of a disgorgement order is to take away ill-gotten financial benefits from a wrongdoer, not compensate victims.

[55] The first step is to determine whether a respondent, directly or indirectly, obtained amounts arising from his or her contraventions of the Act. This determination is necessary in order to determine if an order can be made, at all, under section 161(1)(g).

[56] The second step of my analysis is to determine if it is in the public interest to make such an order. It is clear from the discretionary language of section 161(1)(g) that we must consider the public interest, including issues of specific and general deterrence.

[57] In this case, the evidence is clear that HRG obtained $4.01 million arising from its misconduct. Therefore, a disgorgement order could be made against HRG.

[58] I would not make a disgorgement order against HRG. There is no evidence to suggest that HRG used the funds raised from the illegal distributions in any manner that is inconsistent with investor expectations. Secondarily, a disgorgement order against HRG would only potentially harm the very investors who were the subject of the misconduct. Therefore, it is not in the public interest to make a disgorgement order against HRG.

[59] Other than the amount of commissions received by Mohan, there was no evidence that the individual respondents obtained, directly or indirectly, any other amounts from *their* contraventions of the Act. Therefore, the commissions received by Mohan are the only amounts that could be subject to disgorgement orders.

[60] In my view, it is in the public interest to order disgorgement of the commissions received by Mohan in order to deter these respondents and others who would receive compensation in connection with illegal distributions.

IV. Orders

[61] Considering it to be in the public interest, and pursuant to sections 161 and 162 of the Act, we order that:

Downie

1. under sections 161(1)(b), (c), and (d)(i) to (v),

    a) Downie cease trading in, and be prohibited from purchasing, any securities or exchange contracts;

    b) the exemptions set out in the Act, the regulations or any decision as defined in the Act, do not apply to Downie;

    c) Downie resign any position he holds as, and is prohibited from becoming or acting as, a director or officer of any issuer or registrant;

d) Downie is prohibited from becoming or acting as a registrant;

e) Downie is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

f) Downie is prohibited from engaging in investor relations activities;

until January 8, 2023; and

2. under section 162 of the Act, that Downie pay to the Commission an administrative penalty of $75,000;

Mohan

3. under section 161(1)(b), (c), and (d)(i) to (v),

a) Mohan cease trading in, and be prohibited from purchasing, any securities or exchange contracts;

b) the exemptions set out in the Act, the regulations or any decision as defined in the Act, do not apply to Mohan;

c) Mohan resign any position he holds as, and is prohibited from becoming or acting as, a director or officer of any issuer or registrant;

d) Mohan is prohibited from becoming or acting as a registrant or promoter;

e) Mohan is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

f) Mohan is prohibited from engaging in investor relations activities;

until January 8, 2023;

4. under section 161(1)(g) of the Act, that Mohan pay to the Commission $103,530; and

5. under section 162 of the Act, that Mohan pay to the Commission an administrative penalty of $75,000;

HRG

6. under sections 161(1)(b) and d(iii) and (v),

a) all persons cease trading permanently, and be permanently prohibited from purchasing any of its securities;

b) HRG cease trading in, and be prohibited from purchasing, any securities or exchange contracts, permanently;

c) HRG be permanently prohibited from becoming or acting as a registrant or promoter; and

d) HRG is permanently prohibited from engaging in investor relations activities.

January 8, 2016

For the Commission

Nigel P. Cave
Vice Chair

Don Rowlatt
Commissioner

Reasons for Decision of Audrey T. Ho, Commissioner

I. Introduction

[62] I concur with the decision of Commissioner Rowlatt in all respects other than his decision to not make any orders against the respondents under section 161(1)(g).

[63] I would have ordered the respondents, under section 161(1)(g), to pay to the Commission, the full amount of the illegal distributions, as follows:

1. HRG, Downie and Mohan, on a joint and several basis, the sum of $3,481,000, and

2. HRG and Downie, on a joint and several basis, the sum of $528,000.

II. Analysis

A. Two step approach to section 161(1)(g) orders

[64] Like Vice Chair Cave, I adopt a two-step approach in considering whether section 161(1)(g) orders are appropriate against the respective respondents.

[65] I agree with the analysis set out in the majority decision in *Streamline* with regard to the interpretation and breadth of section 161(1)(g). Therefore, I concur with the reasoning and conclusion of Commissioner Rowlatt that we have the authority under section 161(1)(g) to order HRG, Downie and Mohan to pay the amounts of the illegal distributions set out against their names in paragraph 43 above.

[66] The second step is to determine if it is in the public interest to make such orders.

B. Application of two step approach

i) HRG

[67] All of the investors have lost all of their money. There is no evidence of any future value in HRG. Therefore, I would have made a section 161(1)(g) order against HRG in order to provide investors with the mechanism intended by the Act to facilitate recovery of their investments in the event there is any residual value in HRG.

ii) The individual respondents

[68] Applying *VerifySmart* and *Streamline*, I begin with the general principle that the full amount raised should be paid to the Commission under section 161(1)(g).

[69] Following the majority view in *Streamline*, I do not find, as a general principle, payment of the full amount obtained to be inequitable or punitive in circumstances where the proceeds raised were used for the purpose of the investments and not kept for personal gain by the respondents.

[70] In light of the critical importance of investor protection, the fact that the proceeds raised were used for the stated purpose of the investments (and not for personal gains) should not automatically reduce a section 161(1)(g) sanction. Whether the money raised was used for the stated purpose or not, the end result is the same – investors have been denied

the protections required by our securities laws and were harmed as a result of the misconduct. [See: *Streamline*, paragraph 55].

[71] I find the facts in *VerifySmart* to be most comparable to this case. There, the individual respondents did not intend to breach the Act; there was no finding that they used the investors' money for any purpose other than the intended business; they were not personally enriched and did not receive other benefits; they personally invested significant amounts into the business and lost their money; they said they had no current ability to pay any financial sanctions; they claimed they relied on legal advice but provided no supporting evidence.

[72] I find the circumstances in *Photo Violation* to be distinguishable. There, the respondents took considerable steps to obtain the necessary legal advice to ensure compliance with the Act. They hired successive law firms from the outset to assist. One of the individual respondents took a course at university to better understand his responsibilities as a director and officer.

[73] I weighed the relevant factors relied on by the individual respondents in this case, but do not find them sufficient to justify reducing payment of the full amounts obtained as a result of their misconduct. I would have made section 161(1)(g) orders against the respondents in the amounts set out above.

January 8, 2016

Audrey T. Ho
Commissioner