



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 -

**CHRISTOPHER JOSEPH GEDDES**

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

1. Further to a Notice of Hearing dated April 1, 2010, Staff of the Ontario Securities Commission (“Staff”) make the following allegations:

**I. FACTS**

**(a) The Fund and Fund Manager**

2. Retrocom Growth Fund (“Retrocom” or the “Fund”) is a reporting issuer in Ontario incorporated in 1995 as a labour-sponsored investment fund. In December 2005, Retrocom suspended redemptions because it did not have sufficient liquidity to meet outstanding redemption requests. In or about August 2006, Retrocom filed a Notice of Intention to make a Proposal under the *Bankruptcy and Insolvency Act* (Canada). RSM Richter Inc. (“Richter”) was named as trustee. It is not expected that any assets will be available for distribution to the Fund's investors.

3. At all Material Times (defined to include all financial reporting periods between 2003 and 2005), approximately 90% of Retrocom's holdings were comprised of direct and/or indirect investments in real property.

4. It appears that the Fund's assets were materially over-valued during, at least, the fiscal period between August 31, 2000 and August 31, 2004. Audited financial statements for the year ending August 31, 2005 were never completed.

5. Retrocom Investment Management Inc. ("RIMI") was, from June 2001, Retrocom's manager. RIMI was incorporated in Ontario in 1995. RIMI was registered with the Commission as an Investment Counsel and Portfolio Manager ("ICPM") on April 2, 1998 and as a Limited Market Dealer ("LMD") on September 5, 2000. On October 2, 2006, the Commission issued an Order accepting RIMI's surrender of registration.

**(b) The Respondent**

6. The respondent, Christopher Joseph Geddes ("Geddes or the "Respondent") was, from May, 2003 to June, 2006, the Fund's Chief Financial Officer ("CFO"). He also assisted RIMI with the conduct of valuations of the Fund's assets on a contract basis and liaised with the Fund's auditor in the performance of its audit work. From March, 2004 to March, 2005, Geddes served as CFO of the Retrocom Mid-Market Real Estate Investment Trust ("REIT"), an entity established partly through the transfer of assets from Retrocom on the advice of RIMI, for which RIMI acted as manager.

**II. CONDUCT CONTRARY TO THE PUBLIC INTEREST**

7. In or about December, 2003, the Fund purchased a property from a developer (the "Developer") for approximately \$23 million. Geddes participated in this transaction in the context of his role as Chief Financial Officer of the Fund.

8. On April 5, 2004, the Developer paid Geddes \$168,000 (the "Personal Benefit") for future services to be rendered by Geddes in respect of acquisitions or investment opportunities, then at the conceptual stage, in which the Developer intended seek out the Fund's involvement.

9. A conflict of interest existed with respect to the Personal Benefit given Geddes' role as CFO of the Fund. However, Geddes did not seek the Fund's consent prior to his acceptance of the Personal Benefit, nor did he disclose to the Fund that he had received it.

10. Given Geddes' position of seniority and responsibility at Retrocom, his acceptance of and failure to disclose receipt of the Personal Benefit was contrary to the best interests of the Fund and the public interest. In addition, the conduct engaged in by the Respondent compromised the integrity of Ontario's capital markets.

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

**DATED AT TORONTO** this 1<sup>st</sup> day of April, 2010