



Ontario  
Securities  
Commission  
3S8

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H

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**IN THE MATTER OF THE *SECURITIES ACT*,  
RSO 1990, c S.5**

**- and -**

**IN THE MATTER OF  
JULIUS CAESAR PHILLIP VITUG**

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

Staff of the Ontario Securities Commission (“Staff”) make the following allegations:

**A. Overview**

1. During the period of 2011 to 2014 inclusive (the “Material Time”), the Respondent, Julius Caesar Phillip Vitug (“Vitug”), engaged in the business of trading in securities for Ontario investors, without being registered, contrary to subsection 25(1) of the *Securities Act*, RSO 1990, c S.5 (the “Act”).
2. Vitug, formerly registered with the Commission, began such trading within one year of the implementation of penalties, imposed on him by a hearing panel of the Investment Industry Regulatory Organization of Canada (“IIROC”). These penalties arose following an IIROC hearing which resulted in findings of misconduct against Vitug involving client accounts and a permanent ban from approval of Vitug in any category under IIROC's rules.

**B. The Respondent**

3. Vitug is a resident of Toronto, Ontario and was registered with the Commission in various categories from 1991 to 2010, including: Salesperson for a Mutual Fund Dealer and Limited Market Dealer; and Salesperson, Dealing Representative and Trading Officer for an Investment Dealer.
4. He was also an approved person with IIROC and its predecessor in various categories, including Registered Representative, Portfolio Management, Trading Officer and Branch Manager, between approximately 1996 and 2010.

**C. Findings and Penalties of IIROC**

5. In a decision dated March 31, 2009, following a hearing by an IIROC panel, IIROC found that Vitug had an undisclosed financial interest and undisclosed financial dealings in certain client accounts in or about 2003 to 2005. Consequently, IIROC found that Vitug engaged in business conduct or practice which was unbecoming or detrimental to the public interest in violation of IIROC By-laws.
6. The penalties imposed by IIROC comprised of a permanent ban on Vitug being approved in any registration category under IIROC's rules and a fine of \$350,000. He was also ordered to pay costs to IIROC of \$80,000.
7. The penalties arising from the IIROC decision became effective on August 12, 2010 following an unsuccessful application and appeal by Vitug to overturn the IIROC decision.

**D. Business of Trading**

8. During the Material Time, Vitug engaged in the business of trading in the securities of Iskander Energy Corp. (“Iskander”). Iskander is an Alberta corporation.
9. Vitug was introduced to the deal whereby he purchased securities on his own behalf and facilitated the trades of approximately 40 Ontario investors.
10. The total amount raised from investors during the Material Time was approximately \$10 million. Vitug served as a liaison between the issuer and the investors and in this manner facilitated the trades. He also introduced certain of the investors to the investment.
11. In relation to these trades, Vitug received compensation and directed compensation to three corporations (“Corporations”), of which he was a beneficial owner or in which he was a partner. Such compensation consisted of over \$114,000 paid by cheque(s) and securities during the Material Time.
12. These Corporations were:
  - (a) Dardan Bancorp Inc. (“Dardan”), which was incorporated in Ontario on November 4, 2010. Vitug is the president and director of Dardan.
  - (b) 1082824 Ontario Inc. (“1082824 Ontario”), which was incorporated in Ontario on May 27, 1994. Vitug was the director of 1082824 Ontario. On January 1, 2014, 1082824 Ontario amalgamated with Dardan and they continue under the Dardan name.
  - (c) Toronto Tree Top Holdings Ltd. (“Toronto Tree Top”), which was incorporated in Ontario on March 25, 2011. Vitug is a director and treasurer and owns 50% of the shares of Toronto Tree Top. The other 50% of the shares is owned by SY

(“SY”). Vitug assists SY with many of his businesses and investments, including facilitating trades for Toronto Tree Top using the funds supplied by SY.

**E. Breaches of Ontario Securities Law and Conduct Contrary to the Public Interest**

13. During the Material Time, contrary to subsection 25(1) of the Act, he engaged in or held himself out as engaging in the business of trading, as described above, without being registered to do so and in circumstances in which there was no exemption under Ontario securities law from the requirement to comply with subsection 25(1) of the Act.
14. Vitug’s conduct was contrary to the public interest and harmful to the integrity of the capital markets of Ontario.
15. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto, March 14, 2016.