

# Chapter 1

## Notices

### 1.1 Notices

#### 1.1.1 OSC Staff Notice 11-739 (Revised) – Policy Reformulation Table of Concordance and List of New Instruments

#### OSC STAFF NOTICE 11-739 (REVISED)

#### POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of September 30, 2019 has been posted to the OSC Website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

#### Table of Concordance

Item Key
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

#### Reformulation

Instrument	Title	Status
13-502	Fees – Amendments	<b>Ministerial approval published July 18, 2019</b>
13-503	(Commodity Futures Act) Fees – Amendments	<b>Ministerial approval published July 18, 2019</b>
11-739	Policy Reformulation Table of Concordance and List of New Instruments – Revised	<b>Published July 25, 2019</b>
33-750	Compliance and Registrant Regulation – Summary Report for Dealers, Advisers and Investment Fund Managers	<b>Published August 8, 2019</b>
51-358	Reporting of Climate Change-related Risks	<b>Published August 8, 2019</b>
31-355	OBSI Joint Regulators Committee Annual Report for 2018	<b>Published August 15, 2019</b>
31-356	Guidance on Compliance Consultants Engaged by Firms Following a Regulatory Decision	<b>Published August 22, 2019</b>
11-787	Improving Fee Disclosure Through Behavioural Insights	<b>Published August 22, 2019</b>
95-301	Margin and Collateral Requirements for Non-Centrally Cleared Derivatives	<b>Published August 22, 2019</b>
51-102	Continuous Disclosure Obligations and Changes to Certain Policies Related to the Business Acquisition Report Requirements - Amendments	<b>Published for comment September 5, 2019</b>
13-502	Fees – Amendments	<b>Commission approval published September 12, 2019</b>
13-503	(Commodity Futures Act) Fees – Amendments	<b>Commission approval published September 12, 2019</b>
14-101	Definitions – Amendments	<b>Published for comment September 12, 2019</b>
41-101	General Prospectus Requirements – Amendments	<b>Published for comment September 12, 2019</b>

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81-101	Mutual Fund Prospectus Disclosure – Amendments	<b>Published for comment September 12, 2019</b>
81-102	Investment Funds – Amendments	<b>Published for comment September 12, 2019</b>
81-106	Investment Fund Continuous Disclosure – Amendments	<b>Published for comment September 12, 2019</b>
81-107	Independent review Committee for Investment Funds – Amendments	<b>Published for comment September 12, 2019</b>
13-101	System for Electronic Document Analysis and Retrieval (SEDAR) - Amendments	<b>Published for comment September 12, 2019</b>
13-102	System Fees for SEDAR and NRD - Amendments	<b>Published for comment September 12, 2019</b>
11-202	Process for Prospectus Reviews in Multiple Jurisdictions - Amendments	<b>Published for comment September 12, 2019</b>
81-107	Independent Review Committee for Investment Funds – Commentary Amendments	<b>Published for comment September 12, 2019</b>

For further information, contact:

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October 10, 2019

**1.3 Notices of Hearing with Related Statements of Allegations**

**1.3.1 Farhang (Fred) Dagostar Nikoo – ss. 127(1), 127(10)**

**FILE NO.:** 2019-36

**IN THE MATTER OF  
FARHANG (FRED) DAGOSTAR NIKOO**

**NOTICE OF HEARING**

Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c. S.5

**PROCEEDING TYPE:** Inter-jurisdictional Enforcement Proceeding

**HEARING DATE AND TIME:** In writing

**PURPOSE**

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order requested in the Statement of Allegations filed by Staff of the Commission on October 2, 2019.

Take notice that Staff of the Commission has elected to proceed by way of the expedited procedure for a written hearing provided for by Rule 11(3) of the Commission's *Rules of Procedure*.

Staff must serve on you this Notice of Hearing, the Statement of Allegations, Staff's hearing brief containing all documents Staff relies on, and Staff's written submissions.

You have **21 days** from the date Staff serves these documents on you to file a request for an oral hearing, if you do not want to follow the expedited procedure for a written hearing.

Otherwise, you have **28 days** from the date Staff served these documents on you to file your hearing brief and written submissions.

**REPRESENTATION**

Any party to the proceeding may be represented by a representative at the hearing.

**FAILURE TO PARTICIPATE**

**IF A PARTY DOES NOT PARTICIPATE, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.**

**FRENCH HEARING**

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Secretary's Office in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

**AVIS EN FRANÇAIS**

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 3rd day of October, 2019

"Grace Knakowski"  
Secretary to the Commission

**For more information**

Please visit [www.osc.gov.on.ca](http://www.osc.gov.on.ca) or contact the Registrar at [registrar@osc.gov.on.ca](mailto:registrar@osc.gov.on.ca).

**IN THE MATTER OF  
FARHANG (FRED) DAGOSTAR NIKOO**

**STATEMENT OF ALLEGATIONS  
(Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990 c S.5)**

1. Staff of the Enforcement Branch (**Staff**) of the Ontario Securities Commission (the **Commission**) elect to proceed using the expedited procedure for inter-jurisdictional proceedings as set out in Rule 11(3) of the Commission's *Rules of Procedure*.

**A. OVERVIEW**

2. On February 15, 2019, Farhang (Fred) Dagostar Nikoo (**Nikoo**) entered into a Settlement Agreement and Undertaking (the **Settlement Agreement**) with the Alberta Securities Commission (the **ASC**).
3. Pursuant to the Settlement Agreement, Nikoo agreed to certain undertakings and to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta.
4. Staff are seeking an inter-jurisdictional enforcement order reciprocating the Settlement Agreement, pursuant to paragraph 5 of subsection 127(10) of the Ontario *Securities Act*, RSO 1990, c S.5 (the **Act**).

**B. FACTS**

Staff make the following allegations of fact:

**(i) The ASC Proceeding**

**Agreed Facts**

5. In the Settlement Agreement, Nikoo agreed with the following facts:

Parties

- (a) Nikoo is a resident of Calgary, Alberta (formerly of Cold Lake, Alberta). He was, at all material times, a financial planner, and has been registered since 1995 as a mutual fund salesperson.

Circumstances

- (b) Bluforest, formerly Greenwood Gold Resources Inc., is a Nevada, U.S.A. (**U.S.**) corporation, whose securities were quoted for trading on the U.S. Over-the-Counter Quotation Board.
- (c) In approximately February 2012, Nikoo, Cem (Jim) Can (**Can**), and Charles Michael Miller (**Miller**), began selling securities of Bluforest to Alberta residents. All three are respondents in a February 5, 2018, Notice of Hearing issued by ASC Staff.
- (d) Over a period of one year, approximately \$1,000,000 was raised from the sale of Bluforest securities to at least seven Albertans (the **Investors**). Several of the Investors were existing or former clients of Nikoo's financial planning business.
- (e) Nikoo promoted the sale of Bluforest securities to some Investors through word of mouth and emails, introduced some Investors to Can and Miller, handled funds and share transfer documents, and delivered share certificates. While not compensated directly for his activities in furtherance of the sale of the Bluforest securities, Nikoo received a \$30,000 payment from Can.
- (f) Nikoo was not registered in accordance with Alberta securities laws as an adviser. At no time was a preliminary prospectus or prospectus filed with and a receipt issued by the Executive Director of the ASC (**ASC's Executive Director**) for the distribution of any securities of Bluforest. There were no reports of exempt distribution filed with respect to any of the sales of Bluforest securities to the Investors.
- (g) During the course of the sale of the Bluforest securities to the Investors, Nikoo made representations or statements as follows:

1. To JD, that she would double her money in six months;
  2. To JD, that the securities would be listed on NASDAQ;
  3. To JD, that the securities would open trading on NASDAQ at a price of \$11; and
  4. To CJB, that once the securities were listed on NASDAQ, they would double in price.
- (h) The above statements were misleading or untrue, and they would reasonably be expected to have a significant effect on the value of Bluforest's securities to JD and CJB.
- (i) At no time did the ASC's Executive Director give Nikoo written or any permission to represent that Bluforest's securities would be listed on an exchange. Nor, to Nikoo's knowledge, did Bluforest at any time make an application for a listing on NASDAQ or any other exchange.

Admitted Breaches of Alberta Securities Laws

- (j) Based on the Agreed Facts, Nikoo admitted that he breached the following sections of the Alberta Securities Act, RSA 2000, c S-4, as amended (the **Alberta Act**):
1. 75(1)(a) of the Alberta Act by acting as an adviser without registration in accordance with Alberta securities laws;
  2. 92(4.1) of the Alberta Act by making a statement he knew or reasonably ought to have known was misleading or untrue, and that would reasonably be expected to have a significant effect on the market price or value of Bluforest's securities; and
  3. 92(3)(b)(i) of the Alberta Act by representing without the written permission of the ASC's Executive Director that Bluforest's securities would be listed on an exchange.

Circumstances Relevant to Settlement

- (k) Nikoo has not been previously sanctioned by the ASC, and cooperated with ASC Staff during their investigation.
- (l) Nikoo, directly or indirectly, alerted the U.S. Securities and Exchange Commission to the activities of Bluforest and its representatives.
- (m) Certain of the Investors took funds out of mutual funds or other safer investments at the suggestion of Nikoo to purchase securities of Bluforest.
- (n) The Settlement Agreement saved the ASC the time and expense associated with a contested hearing under the Alberta Act.

**(ii) Settlement and Undertakings**

6. Based on the Agreed Facts and Admitted Breaches, Nikoo agreed and undertook to the ASC's Executive Director to:
- (a) Pay to the ASC a monetary settlement of \$50,000, plus \$20,000 in costs; and
  - (b) Be prohibited for a period of 10 years from advising in securities and from acting as a registrant.

**C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION**

7. Pursuant to the Settlement Agreement, Nikoo agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta.
8. Pursuant to paragraph 5 of subsection 127(10) of the Act, an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that a person or company is to be made subject to sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.
9. Staff allege that it is in the public interest to make an order against Nikoo.

10. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

**D. ORDER SOUGHT**

11. Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraph 5 of subsection 127(10) of the Act:

- (a) against Nikoo that:
- i. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Nikoo be prohibited until February 15, 2029 from becoming or acting as a registrant;
- (b) such other order or orders as the Commission considers appropriate.

**DATED** at Toronto this 2nd day of October, 2019.

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