



**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.O. 1990, c. S.5, AS AMENDED**

**- and -**

**IN THE MATTER OF  
GLOBAL CONSULTING AND FINANCIAL SERVICES, GLOBAL CAPITAL GROUP,  
CROWN CAPITAL MANAGEMENT CORP., MICHAEL CHOMICA, JAN CHOMICA  
and LORNE BANKS**

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**SETTLEMENT AGREEMENT  
BETWEEN STAFF AND GLOBAL CONSULTING AND FINANCIAL SERVICES AND  
JAN CHOMICA**

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**PART I - INTRODUCTION**

1. By Notice of Hearing dated March 27, 2013, the Ontario Securities Commission (the “Commission”) announced that it proposed to hold a hearing, commencing on April 17, 2013, pursuant to sections 37, 127, and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), to consider whether it is in the public interest to make orders, as specified therein, against Global Consulting and Financial Services (“Global Consulting”), Global Capital Group (“Global Capital”), Crown Capital Management, Michael Chomica, Jan Chomica and Lorne Banks. The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission (“Staff”) dated March 27, 2013.
2. The Commission will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 37 and 127 of the Act, it is in the public interest for the Commission to approve this Settlement Agreement and to make certain orders in respect of Global Consulting and Jan Chomica (the “Respondents”).

**PART II – JOINT SETTLEMENT RECOMMENDATION**

3. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing dated March 27, 2013 against the Respondents (the “Proceeding”) in accordance

with the terms and conditions set out below. The Respondents consent to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

### **PART III – AGREED FACTS**

#### **Overview**

4. This proceeding, as it relates to Jan Chomica, centres on Jan Chomica’s conduct in facilitating the use of two Ontario bank accounts to receive and disburse funds, directly or indirectly, obtained from the victims of two separate but similarly structured “advance-fee” schemes at the request and under the direction of her brother: Michael Chomica.

5. Jan Chomica registered Global Consulting as a sole proprietorship in Ontario in December 2006 and opened bank accounts in the name of Global Consulting at bank branches located in Ontario (the “Global Consulting Bank Accounts”).

6. From October 2009 to October 2010 (the “Material Time”), approximately USD \$224,000 and CAD \$23,500 was transferred to the Global Consulting Bank Accounts in furtherance of the fraudulent advance-fee schemes discussed further below.

7. Jan Chomica was the sole signatory on the Global Consulting Bank Accounts at all times. However, during the Material Time, Jan Chomica carried out transactions in the Global Consulting Bank Accounts, including the disbursement of funds fraudulently obtained from investors, solely at the direction, and for the benefit, of her brother: Michael Chomica.

8. Jan Chomica is a resident of Ontario.

9. None of Jan Chomica, Michael Chomica or Global Consulting has ever been registered with the Commission in any capacity.

#### **The Global Consulting Scheme**

10. From approximately January 2008 to October 2010, persons falsely purporting to be representatives of various organizations solicited shareholders primarily residing in the United Kingdom (the "Global Consulting Investors") for the purpose of inducing them to

make various payments as part of a fraudulent advance-fee scheme (the "Global Consulting Scheme").

11. The Global Consulting Scheme involved an artificial offer to purchase shares owned by the Global Consulting Investors at inflated prices. The offer to purchase the Global Consulting Investors' shares and the subsequent communications were part of an artifice designed solely to extract money from the Global Consulting Investors.

12. As part of the Global Consulting Scheme, the Global Consulting Investors were contacted by persons purporting to act for various governmental agencies, including the U.S. Securities and Exchange Commission and the Commission, as well as certain fictitious organizations purportedly involved in the transactions, and directed to make certain payments in order to complete the transactions. The payments were purportedly necessary to cover taxes and various other costs.

13. The persons carrying out the solicitations did not work for the governmental agencies they purported to represent, they used aliases when communicating with the Global Consulting Investors, and they presented the Global Consulting Investors with false and forged documents.

14. In or around October 2009, Michael Chomica made the Global Consulting Bank Accounts available to the perpetrators of the Global Consulting Scheme and from approximately October 2009 to October 2010 (the "Global Consulting Material Time"), pursuant to the solicitations outlined above, the Global Consulting Investors were instructed to send their advance fees to the Global Consulting Bank Accounts.

15. At least 4 Global Consulting Investors paid advance-fees totalling USD \$109,685 and CAD \$23,478 to the Global Consulting Bank Accounts as a result of the solicitations outlined above.

16. During the Global Consulting Material Time, Jan Chomica carried out transactions in the Global Consulting Bank Accounts at Michael Chomica's direction. The funds deposited into the Global Consulting Bank Accounts were withdrawn in cash or otherwise disbursed at

the direction, and for the benefit, of Michael Chomica.

17. The purported purchases of the Global Consulting Investors' shares never occurred and the Global Consulting Investors suffered a complete loss of the amounts they paid as advance fees.

18. Jan Chomica was not involved in the solicitation of the Global Consulting Investors; however, Jan Chomica ought to have known that in carrying out transactions in the Global Consulting Bank Accounts, as noted above, she was directly or indirectly engaging in a course of conduct relating to securities that perpetrated a fraud on the Global Consulting Investors.

### **The Global Capital Scheme**

19. From approximately March 2010 to September 2010 (the “Global Capital Material Time”), persons, including Michael Chomica, using aliases and purporting to act on behalf of Global Capital Group (“Global Capital”), solicited shareholders in Dixon, Perot & Champion Inc. residing in Europe, the United Kingdom, Asia and Africa (the “DP&C Shareholders”) for the purpose of inducing them to make various payments as part of a fraudulent advance-fee scheme (the “Global Capital Scheme”).

20. Michael Chomica was the architect and directing mind of the Global Capital Scheme and he operated it from his residential apartment located on Bloor Street East in Toronto (the “Bloor Street Address”).

21. The Global Capital Scheme involved an artificial offer to exchange shares in Dixon, Perot & Champion Inc. (the “DP&C Shares”) owned by the DP&C Shareholders for shares in Microsoft Inc. (the “Microsoft Shares”). The DP&C Shares were virtually worthless and illiquid at the time of the solicitations, however, the DP&C Shareholders were told that Global Capital valued them at prices ranging from USD \$6 to \$14. Whereas the Microsoft Shares were valued at prices ranging from USD \$24 to \$27.

22. The offer to exchange the DP&C Shareholders' shares and the subsequent communications were part of an artifice designed solely to extract money from the DP&C

Shareholders.

23. As part of the Global Capital Scheme, the DP&C Shareholders were informed that they had to make certain payments in order to complete the transactions. The payments were purportedly necessary to cover the difference in value between the DP&C Shares and the Microsoft Shares. However, once this initial payment was made, the DP&C Shareholders were solicited for additional payments to cover taxes and various other costs.

24. The DP&C Shareholders were instructed to send the funds representing the advance fees to the account of Commonwealth Capital Corp. (“Commonwealth”), an Isle of Man corporation, at the Bank of Nevis in St. Kitts and Nevis (the “Commonwealth Bank Account”). During the Global Capital Material Time, Michael Chomica controlled the Commonwealth Bank Account.

25. At least five DP&C Shareholders paid advance-fees totalling USD \$160,470 to the Commonwealth Bank Account as a result of the solicitations noted above.

26. The majority of the funds transferred to the Commonwealth Bank Account by the DP&C Shareholders were then transferred by Michael Chomica to the Global Consulting Bank Accounts.

27. During the Global Capital Material Time, Jan Chomica carried out transactions in the Global Consulting Bank Accounts at Michael Chomica’s direction. The funds deposited into the Global Consulting Bank Accounts were withdrawn in cash or otherwise disbursed at the direction, and for the benefit, of Michael Chomica.

28. The purported exchange of the DP&C Shareholders’ shares never occurred, the DP&C Shareholders never received any Microsoft Shares and instead suffered a complete loss of the amounts paid towards the advance fees.

29. Jan Chomica was not involved in the solicitation of the DP&C Shareholders; however, Jan Chomica ought to have known that in carrying out transactions in the Global Consulting Bank Accounts, as noted above, she was directly or indirectly engaging in a course of conduct relating to securities that perpetrated a fraud on the DP&C Shareholders.

**Michael Chomica's Convictions for Fraud Contrary to Section 126.1 of the Act**

30. On May 2, 2012, a four count Information was sworn pursuant to the Act and the *Provincial Offences Act*, R.S.O. 1990. s. P. 33, as amended, charging, *inter alia*, Michael Chomica and Jan Chomica with two counts of fraud contrary to the Act in connection with the Global Consulting Scheme and the Global Capital Scheme.

31. On February 14, 2013, Michael Chomica pleaded guilty in the Ontario Court of Justice to 3 counts of fraud contrary to sections 122 and 126.1(b) of the Act in connection with, *inter alia*, the Global Consulting Scheme and the Global Capital Scheme. Michael Chomica's guilty plea was accepted by the Court and he was convicted and sentenced to 2 years in the penitentiary.

32. As part of his plea of guilt, Michael Chomica admitted the truth of a Statement of Facts for Guilty Plea (the "Statement of Facts") that was filed as an exhibit in that proceeding.

33. In the Statement of Facts, Michael Chomica admitted, among other things, that he controlled the Global Consulting Bank Accounts and that Jan Chomica carried out transactions in the accounts at his instruction.

34. Following Michael Chomica's sentencing on March 14, 2013, Staff withdrew the charges against Jan Chomica.

**PART IV – RESPONDENT'S POSITION**

35. It is Jan Chomica's position that she was unaware of the solicitations being made to investors and solely carried out transactions in the Global Consulting Bank Accounts at the direction, and for the benefit, of her brother for which she did not receive compensation.

**PART V - CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE  
PUBLIC INTEREST**

36. By engaging in the conduct described above, the Respondents admit and acknowledge that they contravened Ontario securities law during the Material Time in the following ways:

- (a) During the Material Time, the Respondents traded in and engaged in and held themselves out as engaging in the business of trading in securities without being registered to trade in securities, contrary to subsection 25(1) of the Act and contrary to the public interest; and
- (a) During the Material Time, the Respondents engaged or participated in acts, practices or a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(b) of the Act and contrary to the public interest.

37. The Respondents admit and acknowledge that they acted contrary to the public interest by contravening Ontario securities law as set out in sub-paragraphs 36 (a) and (b) above.

**PART VI - TERMS OF SETTLEMENT**

38. The Respondents agree to the terms of settlement listed below.

39. The Commission will make an order, pursuant to section 37 and subsection 127(1) of the Act, that:

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by the Respondents cease permanently from the date of the approval of the Settlement Agreement, with the exception that Jan Chomica shall be permitted to trade for her own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101

provided that she does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; or (b) any security issued by a mutual fund that is a reporting issuer;

- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by the Respondents is prohibited permanently from the date of the approval of the Settlement Agreement, with the exception that Jan Chomica shall be permitted to trade for her own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that she does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; or (b) any security issued by a mutual fund that is a reporting issuer;
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents permanently from the date of the approval of the Settlement Agreement;
- (e) pursuant to clause 6 of subsection 127(1) of the Act, Jan Chomica is reprimanded;
- (f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Jan Chomica is prohibited permanently from the date of the approval of the Settlement Agreement from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
- (g) pursuant to clause 8.5 of subsection 127(1) of the Act, Jan Chomica is prohibited permanently from the date of the approval of the Settlement Agreement from becoming or acting as a registrant, as an investment fund manager or as a promoter; and

- (h) pursuant to subsection 37(1) of the Act, Jan Chomica is prohibited permanently, from the date of the approval of the Settlement Agreement, from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities.

40. The Respondents undertake to consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in sub-paragraphs 39 (b) to (h) above.

#### **PART VII - STAFF COMMITMENT**

41. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against the Respondents in relation to the facts set out in Part III herein, subject to the provisions of paragraph 42 below.

42. If this Settlement Agreement is approved by the Commission, and at any subsequent time the Respondents fail to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against the Respondents based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

#### **PART VIII - PROCEDURE FOR APPROVAL OF SETTLEMENT**

43. Approval of this Settlement Agreement will be sought at a hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and the Respondents for the scheduling of the hearing to consider the Settlement Agreement.

44. Staff and the Respondents agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding the Respondents' conduct in this matter, unless the parties agree that further facts should be submitted at the settlement hearing.

45. If this Settlement Agreement is approved by the Commission, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

46. If this Settlement Agreement is approved by the Commission, neither party will make any public statement that is inconsistent with this Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.

47. Whether or not this Settlement Agreement is approved by the Commission, the Respondents agree that they will not, in any proceeding, refer to or rely upon this Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

#### **PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT**

48. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:

- (a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and the Respondents leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and the Respondents; and
- (b) Staff and the Respondents shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Notice of Hearing and the Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

49. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of the Respondents and Staff or as may be required by law.

**PART X - EXECUTION OF SETTLEMENT AGREEMENT**

50. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.

51. A facsimile copy of any signature will be as effective as an original signature.

Dated this 23 day of July, 2013.

Signed in the presence of:

*“David North”*

*“Jan Chomica”*

\_\_\_\_\_  
Witness:

\_\_\_\_\_  
**Jan Chomica**

**Personally and on behalf of Global  
Consulting and Financial Services**

Dated this 23 day of July, 2013

*“Tom Atkinson”*

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**STAFF OF THE ONTARIO SECURITIES COMMISSION**  
**per Tom Atkinson**  
Director, Enforcement Branch

Dated this 23 day of July, 2013

## SCHEDULE "A"



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19<sup>e</sup> étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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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  
GLOBAL CONSULTING AND FINANCIAL SERVICES, GLOBAL CAPITAL GROUP,  
CROWN CAPITAL MANAGEMENT CORP., MICHAEL CHOMICA, JAN CHOMICA  
and LORNE BANKS**

**- AND -**

**IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN STAFF OF THE  
ONTARIO SECURITIES COMMISSION AND GLOBAL CONSULTING AND  
FINANCIAL SERVICES AND JAN CHOMICA**

**ORDER  
(Sections 37 and 127(1))**

**WHEREAS** by Notice of Hearing dated March 27, 2013, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, commencing on April 17, 2013, pursuant to sections 37, 127, and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), to consider whether it is in the public interest to make orders, as specified therein, against Global Consulting and Financial Services ("Global Consulting"), Global Capital Group, Crown Capital Management, Michael Chomica, Jan Chomica and Lorne Banks. The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 27, 2013;

**AND WHEREAS** Global Consulting and Jan Chomica (the "Respondents") entered into a settlement agreement with Staff dated \_\_\_\_\_, 2013 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 27, 2013, subject to the approval of the Commission;

**WHEREAS** on \_\_\_\_\_, 2013, the Commission issued a Notice of Hearing pursuant to sections 37 and 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement;

**AND UPON** reviewing the Settlement Agreement, the Notice of Hearing, and the Statements of Allegations of Staff, and upon hearing submissions from the Respondents and from 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 clause 2 of subsection 127(1) of the Act, trading in any securities by the Respondents cease permanently from the date of the approval of the Settlement Agreement, with the exception that Jan Chomica shall be permitted to trade for her own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that she does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; or (b) any security issued by a mutual fund that is a reporting issuer;

- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by the Respondents is prohibited permanently from the date of the approval of the Settlement Agreement, with the exception that Jan Chomica shall be permitted to trade for her own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that she does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; or (b) any security issued by a mutual fund that is a reporting issuer;
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents permanently from the date of the approval of the Settlement Agreement;
- (e) pursuant to clause 6 of subsection 127(1) of the Act, Jan Chomica is reprimanded;
- (f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Jan Chomica is prohibited permanently from the date of the approval of the Settlement Agreement from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
- (g) pursuant to clause 8.5 of subsection 127(1) of the Act, Jan Chomica is prohibited permanently from the date of the approval of the Settlement Agreement from becoming or acting as a registrant, as an investment fund manager or as a promoter; and
- (h) pursuant to subsection 37(1) of the Act, Jan Chomica is prohibited permanently, from the date of the approval of the Settlement Agreement, from telephoning

from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities.

**DATED** at Toronto this        day of        , 2013.

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