



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 -

**IN THE MATTER OF SHALLOW OIL & GAS INC., ERIC O'BRIEN, ABEL DA SILVA,
GURDIP SINGH GAHUNIA also known as MICHAEL GAHUNIA, ABRAHAM
HERBERT GROSSMAN also known as ALLEN GROSSMAN, MARCO DIADAMO,
GORD McQUARRIE, KEVIN WASH, and WILLIAM MANKOFSKY**

- AND -

IN THE MATTER OF GURDIP SINGH GAHUNIA also known as MICHAEL GAHUNIA

**ORDER
(Sections 37 and 127)**

WHEREAS on June 11, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended ("the Act"), accompanied by a Statement of Allegations dated June 10, 2008, issued by Staff of the Commission ("Staff") with respect to Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia also known as Michael Gahunia ("Gahunia"), Abraham Herbert Grossman also known as Allen Grossman, Marco Diadamo, Gord McQuarrie, Kevin Wash, and William Mankofsky;

AND WHEREAS Gahunia entered into a Settlement Agreement with Staff dated December 12 and 13, 2010 (the "Settlement Agreement") in which Gahunia agreed to a proposed settlement, subject to the approval of the Commission;

AND WHEREAS on December 14, 2010, the Commission issued a Notice of Hearing pursuant to sections 37 and 127 of the Act in respect of Gahunia;

AND UPON reviewing the Settlement Agreement and hearing submissions from Gahunia 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 Gahunia cease permanently, with the exception that Gahunia is permitted to trade in securities in mutual funds through a registered dealer for the account of his registered retirement savings plan (as defined in the *Income Tax Act* (Canada));
- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, Gahunia is prohibited permanently from the acquisition of any securities, with the exception that Gahunia is permitted to acquire securities in mutual funds through a registered dealer for the account of his registered retirement savings plan (as defined in the *Income Tax Act* (Canada));
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Gahunia permanently;
- (e) pursuant to clause 6 of subsection 127(1) of the Act, Gahunia is reprimanded;
- (f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Gahunia is prohibited permanently 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, Gahunia is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

- (h) pursuant to clause 9 of subsection 127(1) of the Act, Gahunia shall pay an administrative penalty of \$25,000 for his failure to comply with Ontario securities law. The \$25,000 administrative penalty shall be for allocation to or for the benefit of third parties, including investors who lost money as a result of purchasing Shallow Oil & Gas Inc. securities, in accordance with subsection 3.4(2) of the Act;
- (i) pursuant to clause 10 of subsection 127(1) of the Act, Gahunia shall disgorge to the Commission \$22,350 obtained as a result of his non-compliance with Ontario securities law. The \$22,350 disgorged shall be for allocation to or for the benefit of third parties, including investors who lost money as a result of purchasing Shallow Oil & Gas Inc. securities, in accordance with subsection 3.4(2) of the Act; and
- (j) pursuant to subsection 37(1) of the Act of the Act, Gahunia shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or in any class of securities.

DATED at Toronto this 16th day of December, 2010.

“Mary G. Condon”

Mary G. Condon