



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

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20, rue queen ouest
Toronto ON M5H 3S8

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

and

**IN THE MATTER OF PHOENIX CREDIT RISK MANAGEMENT CONSULTING INC.,
PHOENIX PENSION SERVICES INC., PHOENIX CAPITAL RESOURCES INC.,
RATHORE & ASSOCIATES ASSET MANAGEMENT LTD., 2195043 ONTARIO INC.,
JAWAD RATHORE, VINCENZO PETROZZA and OMAR MALONEY**

ORDER

(Sections 127 and 127.1 of the *Securities Act*)

WHEREAS on December 15, 2011, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “*Securities Act*”) in respect of Phoenix Credit Risk Management Consulting Inc., Phoenix Pension Services Inc., Phoenix Capital Resources Inc., Rathore & Associates Asset Management Ltd., 2195043 Ontario Inc. (the “Companies”), Jawad Rathore (“Rathore”), Vincenzo Petrozza (“Petrozza”) and Omar Maloney (“Maloney”) (collectively, the “Respondents”);

AND WHEREAS on December 15, 2011, Staff of the Commission (“Staff”) filed a Statement of Allegations in respect of the same matter;

AND WHEREAS the Respondents and Staff entered into a Settlement Agreement (the “Settlement Agreement”) in which they agreed to a settlement of the proceeding commenced by the Notice of Hearing dated December 15, 2011, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and upon hearing submissions from counsel for Staff and counsel for the Respondents;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. the Respondents shall jointly and severally pay an administrative penalty of \$250,000.00 to be allocated to or for the benefit of third parties in accordance with section 3.4(2)(b) of the *Securities Act* to be paid in quarterly instalments over a period of 4 years from the date the Settlement Agreement is approved;
3. the Respondents shall jointly and severally pay the costs of Staff's investigation in the amount of \$100,000.00 within a period of 1 year from the date the Settlement Agreement is approved;

The Companies

4. the Companies shall jointly and severally disgorge to the Commission the amount of \$2,705,212.45 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of \$250,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining \$2,455,212.45 to be paid in quarterly instalments over a period of 4 years from the date the Settlement Agreement is approved;
5. the Companies shall cease trading in securities for 15 years;
6. the Companies shall cease acquisitions of securities for a period of 15 years;
7. any exemptions in Ontario securities law shall not apply to the Companies for a period of 15 years;

Rathore

8. Rathore shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:
 - (a) registrant under the *Securities Act*;
 - (b) investment fund manager; or
 - (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

except Rathore will be permitted to become, or act as or continue to act as a director or officer of:

- A) any issuer that distributes, issues or trades in securities evidencing indebtedness secured or to be secured by a mortgage or charge on real property in Canada or that provides promissory notes or enters into loan agreements incidental thereto in accordance with local provincial legislative requirements ("Mortgage Instruments"); or

- B) any non-reporting issuer that has no more than five beneficial owners and does not distribute securities of the issuer other than to family, friends and business associates of the beneficial owners (a “Closely Held Private Company”);
9. any exemptions in Ontario securities law shall not apply to Rathore for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;
10. Rathore shall not trade in or acquire securities for 15 years, except:
- (a) Rathore may trade in or acquire securities in his personal registered retirement savings plan (“RRSP”) accounts and/or tax-free savings accounts (“TFSA”) and/or for any registered education savings plan (“RESP”) accounts for which he is the sponsor; and
 - (b) Rathore may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

and for greater certainty, nothing in this paragraph shall prevent any issuer which Rathore controls, any issuer of which Rathore is a director, officer and/or shareholder and/or any issuer to which Rathore, either directly or indirectly through a corporation, provides services, from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

11. Rathore shall disgorge to the Commission the amount of \$100,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of \$25,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining \$75,000.00 to be paid in quarterly instalments over a period of 1 year from the date the Settlement Agreement is approved;

Petrozza

12. Petrozza shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:
- (a) registrant under the *Securities Act*;
 - (b) investment fund manager; or
 - (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

except Petrozza will be permitted to become, or act as or continue to act as a director or officer of:

- A) any issuer that distributes, issues or trades in Mortgage Instruments; or

B) any Closely Held Private Company;

13. any exemptions in Ontario securities law shall not apply to Petrozza for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;
14. Petrozza shall not trade in or acquire securities for 15 years, except:
- (a) Petrozza may trade in or acquire securities in his personal RRSP accounts and/or TFSA accounts and/or for any RESP accounts for which he is the sponsor; and
 - (b) Petrozza may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

and for greater certainty, nothing in this paragraph shall prevent any issuer which Petrozza controls, any issuer of which Petrozza is a director, officer and/or shareholder and/or any issuer to which Petrozza, either directly or indirectly through a corporation, provides services, from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

15. Petrozza shall disgorge to the Commission the amount of \$100,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of \$25,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining \$75,000.00 to be paid in quarterly instalments over a period of 1 year from the date the Settlement Agreement is approved;

Maloney

16. Maloney shall resign all positions he holds as a director or officer, and for 15 years shall be prohibited from becoming or acting as a director or officer of any:
- (a) registrant under the *Securities Act*;
 - (b) investment fund manager; or
 - (c) issuer that distributes securities under a prospectus or prospectus exemption under the *Securities Act*

except Maloney will be permitted to become, or act as or continue to act as a director or officer of:

- A) any issuer that distributes, issues or trades in Mortgage Instruments; or
- B) any Closely Held Private Company;

17. any exemptions in Ontario securities law shall not apply to Maloney for a period of 15 years, except those exemptions used in respect of the trading in or acquisition of Mortgage Instruments or securities of a Closely Held Private Company;
18. Maloney shall not trade in or acquire securities for 15 years, except:
- (a) Maloney may trade in or acquire securities in his personal RRSP accounts and/or TFSA accounts and/or for any RESP accounts for which he is the sponsor; and
 - (b) Maloney may trade in or acquire Mortgage Instruments or securities of a Closely Held Private Company;

and for greater certainty, nothing in this paragraph shall prevent any issuer which Maloney controls, any issuer of which Maloney is a director, officer and/or shareholder and/or any issuer to which Maloney, either directly or indirectly through a corporation, provides services, from trading in or acquiring Mortgage Instruments or securities of a Closely Held Private Company;

19. Maloney shall disgorge to the Commission the amount of \$50,000.00 to be allocated to or for the benefit of third parties under section 3.4(2)(b) of the *Securities Act*, with payment of \$20,000.00 to be made by certified cheque at the time of the settlement hearing and the remaining \$30,000.00 to be paid in quarterly instalments over a period of 1 year from the date the Settlement Agreement is approved; and
20. in the event that any of the payments set out in paragraphs 2, 3, 4, 11, 15 or 19 above are not made in full, the provisions of paragraphs 5, 6, 7 8, 9, 10, 12, 13, 14, 16, 17 and 18 shall continue in force in respect of each Respondent which has failed to make payment, until such payments are made in full without any limitation as to time period.

DATED at Toronto this 19th day of December, 2011.

“Christopher Portner”

Christopher Portner