



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
NORTH AMERICAN FINANCIAL GROUP INC., NORTH AMERICAN CAPITAL
INC., ALEXANDER FLAVIO ARCONTI AND LUIGINO ARCONTI**

ORDER

(Rule 9 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071)

WHEREAS on December 28, 2011, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing (the "**Notice of Hearing**"), pursuant to sections 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 December 28, 2011 filed by Staff of the Commission ("**Staff**") with respect to North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti and Luigino Arconti (collectively, the "**Respondents**");

AND WHEREAS a hearing on the merits in this matter was held before the Commission on April 29 and 30, May 1-3, 6, 8-10, 22 and 23 and September 11, 2013;

AND WHEREAS following the hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits on December 11, 2013;

AND WHEREAS on December 11, 2013, the Commission ordered that:

- (a) Staff shall file and serve written submissions on sanctions and costs by February 14, 2014;
- (b) the Respondents shall file and serve written submissions on sanctions and costs by March 7, 2014;
- (c) Staff shall file and serve written reply submissions on sanctions and costs by March 14, 2014; and

- (d) the hearing to determine sanctions and costs will be held at the offices of the Commission at 20 Queen Street West, Toronto, commencing on March 24, 2014 at 10:00 a.m.;

AND WHEREAS on January 22, 2014, counsel for the Respondents, Ian R. Smith (“**Smith**”), brought a motion for leave to withdraw as representative for the Respondents, pursuant to Rule 1.7.4 of the Commission’s *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the “**Motion**”), which Motion was unopposed by Staff;

AND WHEREAS on January 31, 2014, the Commission granted leave to Smith to withdraw as counsel of record for the Respondents;

AND WHEREAS on February 14, 2014, Staff filed and served its written submissions on sanctions and costs;

AND WHEREAS on March 6, 2014, Alexander Gillespie notified the Commission that he had been retained to act for the Respondents, that the Respondents requested an adjournment of the hearing to determine sanctions and costs to March 28, 2014, that the Respondents requested modifications to the timetable for the delivery of submissions as set out in the Order of the Commission dated December 11, 2013 and that Staff did not oppose the Respondents’ requests;

AND WHEREAS on March 10, 2014, the Commission ordered that:

- (a) the hearing to determine sanctions and costs, scheduled for March 24, 2014 at 10:00 a.m., is adjourned and shall be held on March 28, 2014 at 10:00 a.m.;
- (b) Staff shall file and serve any additional evidence and supplementary submissions on sanctions and costs by March 10, 2014;
- (c) the Respondents shall file and serve written submissions on sanctions and costs by March 21, 2014; and
- (d) Staff shall file and serve any reply submissions on sanctions and costs by March 26, 2014;

AND WHEREAS on March 20, 2014, the Respondents requested an adjournment of the hearing to determine sanctions and costs from March 28, 2014 to April 2, 2014 and Staff did not object to this request;

AND WHEREAS on March 20, 2014, the Commission granted the Respondents request to adjourn the hearing on sanctions and costs to April 2, 2014;

AND WHEREAS on March 26, 2014, prior to a formal order being issued in relation to the adjournment of the hearing on sanctions and costs to April 2, 2014, the Respondents sought a further adjournment of the hearing on sanctions and costs to allow counsel for the Respondents additional time to review the file he received from the Respondents' former counsel and to prepare his clients' written submissions on sanctions and costs;

AND WHEREAS Staff objected to a further adjournment of the hearing on sanctions and costs;

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 hearing to determine sanctions and costs is adjourned and shall be held on May 7, 2014 at 10:00 a.m.;
- (b) the Respondents shall file and serve written submissions on sanctions and costs by April 25, 2014; and
- (c) Staff shall file and serve any reply submissions on sanctions and costs by May 2, 2014.

DATED at Toronto this 27th day of March, 2014.

"James D. Carnwath"

James D. Carnwath, Q.C.