



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 BLUESTREAM CAPITAL CORPORATION, BLUESTREAM
INTERNATIONAL INVESTMENTS INC., KROWN CONSULTING CORP., 1859585
ONTARIO LTD. (OPERATING AS SOVEREIGN INTERNATIONAL INVESTMENTS)
AND PETER BALAZS**

ORDER

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

WHEREAS on March 12, 2014, 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 “*Act*”), in connection with a Statement of Allegations filed by Staff of the Commission (“Staff”) on March 11, 2014, in respect of Bluestream Capital Corporation, Bluestream International Investments Inc., Krown Consulting Corporation, 1859585 Ontario Inc. (operating as Sovereign International Investment) (together, the “Corporate Respondents”) and Peter Balazs (“Balazs”) (collectively, the “Respondents”);

AND WHEREAS on June 26, 2014, the Commission ordered that the hearing on the merits commence on January 12, 2015 at 10:00 a.m. at the offices of the Commission;

AND WHEREAS on December 29, 2014, the Commission converted this matter to a hearing in writing;

AND WHEREAS by Reasons and Decision dated March 4, 2015, the Commission found that:

- (a) During the Material Time, the Respondents traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so and without an available exemption from the registration

requirements, contrary to subsection 25(1)(a) of the *Act* for the period before September 28, 2009 and contrary to subsection 25(1) of the *Act* for the period on and after September 28, 2009;

- (b) During the Material Time, the Respondents traded in securities when a preliminary prospectus and prospectus had not been filed and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the *Act*;
- (c) During the Material Time, the Respondents engaged or participated in acts, practices or courses of conduct relating to securities that they knew or ought to have known perpetrated a fraud on persons or companies contrary to subsection 126.1(1)(b) of the *Act*;
- (d) During the Material Time, Balazs, being an officer or director of the Corporate Respondents, authorized, permitted or acquiesced in the non-compliance of the Corporate Respondents with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the *Act*; and
- (e) During the Material Time, the Respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets;

AND WHEREAS the Commission held a hearing in writing to consider, pursuant to sections 127 and 127.1 of the *Act*, whether it was in the public interest to make an order imposing sanctions on, and the payment of costs of the investigation and hearing by, the Respondents;

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) pursuant to paragraph 2 of subsection 127(1), that trading in any securities or derivatives by the Respondents cease permanently;
- (b) pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by the Respondents is prohibited permanently;

- (c) pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to the Respondents permanently;
- (d) pursuant to paragraph 6 of subsection 127(1), that Balazs be reprimanded;
- (e) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1), that Balazs resign any positions he holds as a director or officer of any issuer, registrant, or investment fund manager;
- (f) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1), that Balazs be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
- (g) pursuant to paragraph 8.5 of subsection 127(1), that Balazs be prohibited permanently from becoming or acting as a registrant, as an investment fund manager, or as a promoter;
- (h) pursuant to paragraph 9 of subsection 127(1), that the Respondents pay an administrative penalty of \$300,000, on a joint and several basis, as a result of their non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the *Act*;
- (i) pursuant to paragraph 10 of subsection 127(1), that the Respondents disgorge to the Commission CAD \$1,543,924 and USD \$311,667, on a joint and several basis, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the *Act*; and
- (j) pursuant to section 127.1 of the *Act*, that the Respondents pay \$233,013.75, on a joint and several basis, for the costs of the hearing.

DATED at Toronto, this 21st day of April, 2015.

“Alan J. Lenczner”

Alan J. Lenczner