



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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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*,
RSO 1990, c S.5,**

- AND -

**MONEY GATE MORTGAGE INVESTMENT CORPORATION,
MONEY GATE CORP., MORTEZA KATEBIAN
and PAYAM KATEBIAN**

**TEMPORARY ORDER
(Subsections 127(1) and (5))**

WHEREAS:

1. it appears to the Ontario Securities Commission (the “Commission”) that:
 - (a) Money Gate Mortgage Investment Corporation (“MGMIC”) is an Ontario corporation that operates as a mortgage investment entity, which raises capital from investors and invests it in a pool of mortgages. Investors receive preferred shares from MGMIC in return for their investments;
 - (b) Money Gate Corp. (“MGC”) is a Canadian corporation registered in Ontario that operates as a mortgage brokerage and as a mortgage administrator for MGMIC, finding and servicing the mortgages MGMIC lends on. It receives a fee from MGMIC for performing these services;
 - (c) Morteza (Ben) Katebian (“Ben”) is a director and officer of MGMIC and the sole director of MGC;

- (d) Payam Katebian (“Payam”) is a director and officer of MGMIC and is the son of Ben;
- (e) MGMIC, MGC, Ben and Payam (collectively, the “Respondents”) have never been registered with the Commission in any capacity;
- (f) MGMIC and MGC are not reporting issuers in Ontario and have never filed a prospectus in Ontario;
- (g) MGMIC has prepared five offering memoranda dated August 1, 2014, May 5, 2015, May 13, 2016, May 30, 2016 and January 31, 2017 (collectively the “OMs”) in connection with the sale of its preferred shares to investors;
- (h) the Respondents may have failed to comply with their obligation to deliver to the Commission a copy of each of the OMs within 10 days of the date of the distribution, contrary to section 5.4 of OSC Rule 45-501 - *Ontario Prospectus and Registration Exemptions*;
- (i) the Respondents may have engaged in the business of trading in securities without the necessary registration or an applicable exemption from the registration requirement, contrary to section 25 of the *Securities Act*, RSO 1990, c S.5 (the “Act”);
- (j) the Respondents may have engaged in trading in securities that would constitute a distribution without a prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act;
- (k) the Respondents may have made a statement in a document required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading, contrary to section 122(1)(b) of the Act;

- (l) the Respondents may have engaged or participated in an act, practice or course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on investors, contrary to section 126.1(1)(b) of the Act;
 - (m) the Respondents may have acted contrary to the public interest; and
 - (n) Staff of the Commission are conducting an investigation into the conduct described above;
2. Staff has filed the affidavit of Louisa Fiorini, sworn April 4, 2017, in support of the allegations and the Respondents are in the process of preparing responding material;
 3. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act; and
 4. the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED that:

1. pursuant to paragraph 2 of subsection 127(1) of the Act, all trading in securities of MGMIC shall cease;
2. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents, with the exception that Payam and Ben may rely upon any exemptions contained in Ontario securities law in order to purchase securities solely in their personal capacities;
3. pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission; and

4. this proceeding is adjourned until May 11, 2017, at 11:30 a.m., at which time the Commission will hold a hearing to consider whether, pursuant to subsections 127(7) and/or 127(8) of the Act, it is in the public interest for the Commission to extend this Order until the conclusion of the hearing or until such further time as considered necessary by the Commission, and to make such further orders as the Commission considers appropriate.

DATED at Toronto this 27th day of April, 2017.

“Timothy Moseley”

Timothy Moseley

“William J. Furlong”

William J. Furlong

“Mark J. Sandler”

Mark J. Sandler