



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

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Toronto ON M5H 3S8

**IN THE MATTER OF
BENEDICT CHENG, FRANK SOAVE,
JOHN DAVID ROTHSTEIN AND ERIC TREMBLAY**

Mark J. Sandler, Commissioner and Chair of the Panel

June 15, 2018

ORDER

(Subsection 127(1) and section 127.1 of the
Securities Act, RSO 1990, c S.5)

WHEREAS on June 15, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the Application made jointly by Benedict Cheng (**Cheng** or the **Respondent**) and Staff of the Commission for approval of a settlement agreement dated June 12, 2018 (the **Settlement Agreement**);

ON READING the Amended Statement of Allegations dated October 26, 2017 and the Joint Application Record for a Settlement Hearing, including the Settlement Agreement and Undertaking of the Respondent (attached as Annex I to this Order), and on hearing the submissions of the representatives of Staff and the Respondent, and considering that the \$350,000 administrative penalty and \$50,000 for costs payable by the Respondent have been received by the Commission in accordance with the terms of the Settlement Agreement;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. the Respondent is prohibited from trading in any securities or derivatives and from acquiring any securities for a period of 6 years from the date of this Order, pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act;
3. any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of 6 years from the date of this Order, pursuant to paragraph 3 of subsection 127(1) of the Act;
4. the Respondent shall resign any positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
5. the Respondent is prohibited from becoming or acting as a director or officer of any issuer for a period of 6 years from the date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act;

6. the Respondent shall resign any positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;
7. the Respondent is prohibited from becoming or acting as a director or officer of a registrant for a period of 6 years from the date of this Order, pursuant to paragraph 8.2 of subsection 127(1) of the Act;
8. the Respondent shall resign any positions that he holds as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;
9. the Respondent is prohibited from becoming or acting as a director or officer of an investment fund manager for a period of 6 years from the date of this Order, pursuant to paragraph 8.4 of subsection 127(1) of the Act;
10. the Respondent is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 6 years from the date of this Order, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
11. the Respondent shall pay an administrative penalty in the amount of \$350,000.00, pursuant to paragraph 9 of subsection 127(1) of the Act, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act;
12. the Respondent shall pay costs of the investigation in the amount of \$50,000, pursuant to section 127.1 of the Act;
13. notwithstanding any other provision contained in this Order, the Respondent is permitted to:
 - a. personally trade and/or acquire mutual funds, Exchange Traded Funds, government bonds and/or Guaranteed Investment Certificates for the account of any Registered Retirement Savings Plan ("RRSP"), Registered Retirement Income Fund ("RRIF"), Registered Education Savings Plan ("RESP") and Tax Free Savings Account ("TFSA"), as defined in the *Income Tax Act*, RSC 1985, c.1, as amended, in which he and/or his children and/or his spouse have sole legal and beneficial ownership, solely through a registered dealer in Ontario, to whom Cheng must have given a copy of this Order;
 - b. retain the services of one or more independent, arms-length dealer/portfolio manager(s) who are registered in accordance with Ontario securities law, to trade and/or acquire securities in any RRSP, RRIF, RESP and/or TFSA, on Cheng's behalf, provided that:
 - i. the respective dealer/portfolio manager(s) is provided with a copy of this Order prior to trading or acquiring securities on Cheng's behalf;
 - ii. the respective dealer/portfolio manager(s) has sole discretion over what trades and acquisitions may be made in the account and Cheng has no direction or control over the selection of specific securities;
 - iii. Cheng is permitted to have annual discussions with the respective registered dealer/portfolio manager(s) for the sole purpose of Cheng providing information regarding general investment objectives, suitability and risk tolerance or as required under Ontario securities law; and
 - iv. Cheng may change registered dealer/portfolio manager(s), subject to the conditions set out above, with notice to the Commission of any

such change to be filed by Cheng within 30 days of making such change; and

- c. within 60 days from the date of this Order, and with notice to the Commission, dispose of such securities which are not held in Cheng's RRSP, RRIF, RESP and/or TFSA as described in subparagraph 13(a) above or otherwise transfer management of any such securities to a discretionary account as described in subparagraph 13(b) above.

"Mark J. Sandler"

Mark J. Sandler

ANNEX I TO ORDER

I, BENEDICT CHENG, hereby undertake to cooperate with Staff (“Staff”) of the Ontario Securities Commission (the “Commission”) in its investigation into illegal insider trading and tipping in securities of Amaya Gaming Group Inc., including, if required, testifying as a witness for Staff in any proceedings commenced or continued by Staff or the Commission relating to the matters set out in my Settlement Agreement with Staff dated June 12, 2018, and meeting with Staff in advance of any such proceeding to prepare for that testimony.

EXECUTED at Toronto, on June 12, 2018.

“Shara Roy”
Witness

“Benedict Cheng”
BENEDICT CHENG