



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
IRWIN BOOCK, STANTON DEFREITAS, JASON WONG,
SAUDIA ALLIE, ALENA DUBINSKY, ALEX KHODJIAINTS
SELECT AMERICAN TRANSFER CO.,
LEASESMART, INC., ADVANCED GROWING SYSTEMS, INC.,
INTERNATIONAL ENERGY LTD., NUTRIONE CORPORATION,
POCKETOP CORPORATION, ASIA TELECOM LTD.,
PHARM CONTROL LTD., CAMBRIDGE RESOURCES CORPORATION,
COMPUSHARE TRANSFER CORPORATION,
FEDERATED PURCHASER, INC., TCC INDUSTRIES, INC., FIRST NATIONAL
ENTERTAINMENT CORPORATION, WGI HOLDINGS, INC.
and ENERBRITE TECHNOLOGIES GROUP**

**SETTLEMENT AGREEMENT
BETWEEN STAFF AND JASON WONG**

PART I - INTRODUCTION

1. By Amended Notice of Hearing dated January 5, 2012, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), to consider whether it is in the public interest to make orders, as specified therein, against Irwin Boock ("Boock"), Stanton DeFreitas ("DeFreitas"), Jason Wong ("Wong"), Saudia Allie ("Allie"), Alena Dubinsky ("Dubinsky"), Alex Khodjiaints ("Khodjiaints"), Select American Transfer Co., ("Select American"), LeaseSmart, Inc. ("LeaseSmart"); Advanced Growing

Systems, Inc. (formerly, The Bithub.com, Inc.) (“Bithub”); NutriOne Corporation (“NutriOne”); International Energy Ltd. (“International Energy”); Pocketop Corporation (formerly, Universal Seismic, Inc.) (“Pocketop”); Asia Telecom Ltd. (“Asia Telecom”); Pharm Control Ltd. (“Pharm Control”); Cambridge Resources Corporation (“Cambridge Resources”); Compushare Transfer Corporation (“Compushare”), WGI Holdings, Inc. (“WGI Holdings”); Federated Purchaser, Inc. (“Federated Purchaser”); First National Entertainment Corporation (“First National”); TCC Industries, Inc. (“TCC Industries”); and Enerbrite Technologies Group Inc. (“Enerbrite”). The Amended Notice of Hearing was issued in connection with the allegations as set out in the Amended Statement of Allegations of Staff of the Commission (“Staff”) dated January 4, 2012.

2. The Commission will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the Act, it is in the public interest for the Commission to approve this Settlement Agreement and to make certain orders in respect of Wong.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by the Amended Notice of Hearing dated January 5, 2012 against Wong (the “Proceeding”) in accordance with the terms and conditions set out below. Wong consents to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

PART III – AGREED FACTS

4. Wong agrees with the facts set out in Part III. To the extent Wong does not have direct personal knowledge of certain facts as described below, Wong believes the facts to be true and accurate.

5. Staff and Wong agree that the facts and admissions set out in Part III and Part IV for the purpose of this settlement are without prejudice to Wong in any other proceedings of any kind including, but without limiting the generality of the foregoing, any other proceedings brought by

the Commission under the *Securities Act* (subject to paragraph 30 below) or any civil or other proceedings currently pending or which may be brought by any other person, corporation or agency (subject to paragraph 27 below). Nothing in this settlement agreement is intended to be an admission of civil or criminal liability by Wong to any person or company; such liability is expressly denied by Wong.

6. Select American is a Delaware corporation that was established by Boock in April 2005 with the assistance of DeFreitas and Wong. Select American was operated as a transfer agent by DeFreitas with the active involvement and oversight of Boock and, until August 20, 2005, the active involvement of Wong. Select American operated until April 2007 when it was sold and underwent a name change to Fairross Transfer Agent, which never carried on business. Select American was the subject of a cease trade order issued by the Commission on May 18, 2007.

7. By virtue of the corporate hijacking scheme described herein, the following entities were created in the U.S., the securities of which were fraudulently quoted for trading on the Pink Sheets LLC in the over-the-counter securities market in the U.S.:

- (a) LeaseSmart, Inc.;
- (b) Advanced Growing Systems, Inc. (formerly, The Bighub.com, Inc.);
- (c) NutriOne Corporation; and
- (d) International Energy Ltd.;
- (e) Pocketop Corporation (formerly, Universal Seismic, Inc.);
- (f) Asia Telecom Ltd.;
- (g) Pharm Control Ltd.; and
- (h) Cambridge Resources Corporation.

Wong was involved only in activity relating to the issuers identified in subparagraphs 7(a), (b), (c) and (d) (collectively, the “Issuers”).

8. Select American acted as the transfer agent to the Issuers and was the primary vehicle through which the corporate hijackings and share issuances were carried out.

i) THE FRAUDULENT SECURITIES SCHEME

A. Corporate Hijacking

9. The corporate hijacking scheme used to perpetrate securities fraud with respect to the Issuer Respondents was carried out in the following manner:

(a) Corporate documents were filed with the relevant Secretary of State in the U.S. (either Delaware, Nevada, California or Florida) to incorporate a company with the same name as a defunct public issuer. Typically, the directors, officers and registered agents listed on the corporate documents were either fictitious identities or nominees and the purported corporate addresses for the newly created entities would be mailbox locations obtained through UPS or other virtual mailbox providers or nominee addresses;

(b) Shortly thereafter, amendment documents were filed with the relevant Secretary of State to effect a name change of the newly created entity and a consolidation of the company's shares in the form of a reverse stock split;

(c) Subsequently, steps were taken to obtain a new CUSIP number (a unique identifier for most issued securities which appears on the face of the security) for the renamed, newly created entity as if it was the successor company to the defunct public issuer; and

(d) Documents containing false representations were then filed by the transfer agent with NASDAQ to obtain a new trading symbol for the renamed company and to effect the reverse stock split of the company's shares thereby minimizing the share capital of the legitimate shareholders.

B. Select American Transfer Co.

10. DeFreitas, Boock and Wong were involved in the creation of Select American. Between April and August 2005, DeFreitas and Wong operated Select American jointly and were the directing minds of Select American with Boock providing material advice on a number of matters, including how to run the company, and with Boock primarily working on the hijacking of defunct corporate entities.

11. Between April 2005 and July 2005, Boock, with assistance from DeFreitas and Wong, usurped the corporate identity of a number of defunct public issuers using the corporate hijacking scheme described above, including LeaseSmart, Bighub, NutriOne and International Energy.

12. Following its incorporation, Select American was used by Boock and DeFreitas, with the assistance of Wong, as the transfer agent to these entities to obtain quotations for trading on the Pink Sheets as if they were the successors of the legitimate defunct public issuers whose identities had been hijacked and, further, caused the companies to issue fraudulent shares.

13. In or around August 2005, Wong resigned from Select American and ceased to be involved in its daily operations but continued to provide assistance on occasion. Following Wong's departure, DeFreitas, with the continued involvement and oversight of Boock, continued to operate Select American using nominees.

14. Following Wong's departure, Boock with assistance from DeFreitas created additional fraudulent shell companies for which Select American acted as the transfer agent, including but not limited to Pocketop, Asia Telecom, Pharm Control and Cambridge Resources. Wong was not involved in the creation of these companies.

15. In certain cases, Wong, on the instructions of Boock, continued to be involved in the scheme by creating false or promotional press releases which were used to create a market for the fraudulent shares.

C. Cease Trade of Select American

16. In or around April 2007, DeFreitas, on the instructions of Boock, caused Select American to be sold to a third party in Montreal. Shortly thereafter, on or around May 18, 2007, the Commission issued temporary cease trade orders in respect of Select American and others, including Wong and the Issuers identified above for which Select American was the transfer agent. Following the cease trade orders, Select American and its successor company Fairross Stock Transfer ceased operations.

D. Trading by Wong

17. For his involvement in the scheme as described above, Wong primarily received fraudulent shares of LeaseSmart, International Energy, Asia Telecom and Pocketop as compensation.

18. Between February and March 2006, Wong sold the LeaseSmart shares through a corporate trading account held at RBC Direct Investing Inc. ("RBC") and controlled by him.

19. Between November 2006 and February 2007, Wong sold the shares he had received in International Energy, Asia Telecom and Pocketop. These trades were made through another corporate trading account at RBC controlled by Wong.

20. As a result of this trading, Wong received approximately \$36,500 CDN. Wong also received \$3,200 CDN for services provided to Select American, personally and through a company, between July 2005 to March 2006.

**PART IV - CONDUCT CONTRARY TO THE ACT AND
CONTRARY TO THE PUBLIC INTEREST**

21. Wong, by his involvement in the securities scheme described above, engaged in acts, practices or courses of conduct relating to securities that he knew or reasonably ought to have

known: 1) resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for, the securities contrary to subsection 126.1(a) of the Act and; 2) perpetrated a fraud on persons or companies contrary to subsection 126.1(b) of the Act.

22. Wong admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in paragraph 21 above.

PART V – SECURITIES AND EXCHANGE COMMISSION PROCEEDINGS

23. On September 29, 2009, the Securities and Exchange Commission of the United States (“SEC”) initiated an action in the United States District Court for the Southern District of New York (“NY District Court”) naming DeFreitas, Boock, Wong and two others as defendants (the “SEC action”) which alleged breaches of U.S. federal securities laws. The conduct underlying the alleged breaches also forms the basis of the Statement of Allegations issued by Staff in this proceeding.

24. On March 26, 2010, the NY District Court entered a default judgment against DeFreitas and Boock. A motion by the SEC for summary judgment against Wong was partially granted on August 25, 2011 and a request for reconsideration of the summary judgment was dismissed on November 9, 2011. A proceeding to determine the remaining allegations and the amount of the disgorgement to be required of Wong as a result of the summary judgment is pending. The SEC is seeking a disgorgement order in excess of \$2.4 million dollars against DeFreitas.

PART VI - TERMS OF SETTLEMENT

25. Wong agrees to the following terms of settlement and to the Order attached hereto:

- (a) the Settlement Agreement is approved;
- (b) trading in any securities by Wong cease for a period of twelve (12) years from the date of the approval of the Settlement Agreement;

- (c) the acquisition of any securities by Wong is prohibited for a period of twelve (12) years from the date of the approval of the Settlement Agreement;
- (d) any exemptions contained in Ontario securities law do not apply to Wong for a period of twelve (12) years from the date of the approval of the Settlement Agreement;
- (e) Wong is reprimanded;
- (f) Wong is prohibited for a period of twelve (12) years from the date of the approval of the Settlement Agreement from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, with the exception that Wong is permitted to continue to act as a director and officer of Online Database Solutions Inc., through which he carries on business, so long as he remains the sole holder of securities of the corporation;
- (g) Wong is prohibited for a period of twelve (12) years from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- (h) Wong shall pay an administrative penalty in the amount of \$35,000 for his failure to comply with Ontario securities law;
- (i) Wong shall disgorge to the Commission the amount of \$39,700 obtained as a result of his non-compliance with Ontario securities law;
- (j) Wong shall pay costs to the Commission in the amount of \$20,000;
- (k) After the payments set out in paragraphs 25 (h) (i) and (j) are made in full, as an exception to the provisions of paragraphs 25 (b), (c) and (d), Wong is permitted to 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 or a sponsor; and

- (l) Until the entire amount of the payments set out in paragraphs 25 (h) (i) and (j) are paid in full, the provisions of paragraphs 25 (b), (c) and (d) shall continue in force without any limitation as to time period.

26. The payments ordered in paragraphs (h) and (i) shall be for allocation to or for the benefit of third parties other than Wong, including investors in LeaseSmart, Inc., International Energy Ltd., Pocketop Corporation (formerly, Universal Seismic, Inc.), Asia Telecom Ltd., NutriOne Corporation, and Advanced Growing Systems Inc. (formerly, The BigHub.com, Inc.), in accordance with subsection 3.4(2)(b) of the Act.

27. Wong undertakes to consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in subparagraphs 25 (b) to (g) above.

PART VI - STAFF COMMITMENT

28. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Wong in relation to the facts set out in Part III herein, subject to the provisions of paragraph 29 below.

29. If this Settlement Agreement is approved by the Commission, and at any subsequent time Wong fails to comply with any of the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Wong based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

PART VII - PROCEDURE FOR APPROVAL OF SETTLEMENT

30. Approval of this Settlement Agreement will be sought at a hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as

may be agreed to by Staff and Wong for the scheduling of the hearing to consider the Settlement Agreement.

31. Staff and Wong agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding Wong's conduct in this matter, unless the parties agree that further facts should be submitted at the settlement hearing.

32. If this Settlement Agreement is approved by the Commission, Wong agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

33. If this Settlement Agreement is approved by the Commission, neither Staff nor Wong will make any public statement that is inconsistent with this Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.

34. Whether or not this Settlement Agreement is approved by the Commission, Wong agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

35. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:

- (a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and Wong leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and Wong; and
- (b) Staff and Wong shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in

the Notice of Hearing and Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

36. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of Wong and Staff or as may be required by law.

PART IX - EXECUTION OF SETTLEMENT AGREEMENT

37. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.

38. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated this 30th day of January, 2012.

Signed in the presence of:

“Hilary Wong-Rieger”

“Jason Wong”

Witness: Hilary Wong-Rieger

Jason Wong

Dated this 30 day of January, 2012

“Tom Atkinson”

STAFF OF THE ONTARIO SECURITIES COMMISSION
per Tom Atkinson
Director, Enforcement Branch

Dated this 30th day of January, 2012



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P.O. Box 55, 19th Floor
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SCHEDULE "A"

IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, as amended

- and -

IN THE MATTER OF
IRWIN BOOCK, STANTON DEFREITAS, JASON WONG,
SAUDIA ALLIE, ALENA DUBINSKY, ALEX KHODJAINTS
SELECT AMERICAN TRANSFER CO.,
LEASESMART, INC., ADVANCED GROWING SYSTEMS, INC.,
INTERNATIONAL ENERGY LTD., NUTRIONE CORPORATION,
POCKETOP CORPORATION, ASIA TELECOM LTD.,
PHARM CONTROL LTD., CAMBRIDGE RESOURCES CORPORATION,
COMPUSHARE TRANSFER CORPORATION,
FEDERATED PURCHASER, INC., TCC INDUSTRIES, INC., FIRST NATIONAL
ENTERTAINMENT CORPORATION, WGI HOLDINGS, INC.
and ENERBRITE TECHNOLOGIES GROUP

IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION AND JASON WONG

ORDER (Section 127(1))

WHEREAS by Amended Notice of Hearing dated January 5, 2012, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), to consider whether it is in the public interest to make orders, as specified therein, against Irwin Boock ("Boock"), Stanton DeFreitas ("DeFreitas"), Jason Wong ("Wong"), Saudia Allie ("Allie"), Alena Dubinsky ("Dubinsky"), Alex Khodjaints ("Khodjaints"), Select American Transfer Co., ("Select American"), LeaseSmart, Inc. ("LeaseSmart"); Advanced Growing

Systems, Inc. (formerly, The Bighub.com, Inc.) (“Bighub”); NutriOne Corporation (“NutriOne”); International Energy Ltd. (“International Energy”); Pocketop Corporation (formerly, Universal Seismic, Inc.) (“Pocketop”); Asia Telecom Ltd. (“Asia Telecom”); Pharm Control Ltd. (“Pharm Control”); Cambridge Resources Corporation (“Cambridge Resources”); Compushare Transfer Corporation (“Compushare”), WGI Holdings, Inc. (“WGI Holdings”); Federated Purchaser, Inc. (“Federated Purchaser”); First National Entertainment Corporation (“First National”); TCC Industries, Inc. (“TCC Industries”); and Enerbrite Technologies Group Inc. (“Enerbrite”).

AND WHEREAS the Amended Notice of Hearing was issued in connection with the allegations as set out in the Amended Statement of Allegations of Staff of the Commission (“Staff”) dated January 4, 2012.

AND WHEREAS Wong entered into a settlement agreement with Staff dated January 30, 2012 (the "Settlement Agreement") in which Wong agreed to a proposed settlement of the proceeding commenced by the Amended Notice of Hearing dated January 5, 2012, subject to the approval of the Commission;

WHEREAS on January 30 2012, the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and Wong;

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

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 Settlement Agreement is approved;
- (b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Wong cease for a period of twelve (12) years from the date of the approval of the Settlement Agreement;
- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Wong is prohibited for a period of twelve (12) years from the date of the approval of the Settlement Agreement;
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Wong for a period of twelve (12) years from the date of the approval of the Settlement Agreement;
- (e) pursuant to clause 6 of subsection 127(1) of the Act, Wong is reprimanded;
- (f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Wong is prohibited for a period of twelve (12) years from the date of the approval of the Settlement Agreement from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, with the exception that Wong is permitted to continue to act as a director and officer of Online Database Solutions Inc., through which he carries on business, so long as he remains the sole holder of securities of the corporation;
- (g) pursuant to clause 8.5 of subsection 127(1) of the Act, Wong is prohibited for a period of twelve (12) years from the date of the approval of the Settlement Agreement from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- (h) pursuant to clause 9 of subsection 127(1) of the Act, Wong shall pay an administrative penalty in the amount of \$35,000 for his failure to comply with Ontario securities law;

- (i) pursuant to clause 10 of subsection 127(1), Wong shall disgorge to the Commission \$39,700 obtained as a result of his non-compliance with Ontario securities law;
- (j) pursuant to section 127.1 of the Act, Wong shall pay to the Commission costs of \$20,000;
- (k) after the payments set out in paragraphs (h), (i) and (j) are made in full, as an exception to the provisions of paragraphs (b), (c) and (d), Wong is permitted to 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 or a sponsor;
- (l) the payments ordered in paragraphs (h) and (i) shall be for allocation to or for the benefit of third parties other than Wong, including investors in LeaseSmart, Inc., International Energy Ltd., Pocketop Corporation (formerly, Universal Seismic, Inc.), Asia Telecom Ltd., NutriOne Corporation, and Advanced Growing Systems Inc. (formerly, The BigHub.com, Inc.), in accordance with subsection 3.4(2)(b) of the Act; and
- (m) until the entire amount of the payments set out in paragraphs (h), (i) and (j) are paid in full, the provisions of paragraphs (b), (c) and (d) shall continue in force without any limitation as to time period.

DATED at Toronto this day of January, 2012.
