



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
SAGE INVESTMENT GROUP, C.A.D.E RESOURCES GROUP INC., GREENSTONE
FINANCIAL GROUP, FIDELITY FINANCIAL GROUP, ANTONIO CARLOS NETO
DAVID OLIVEIRA, and ANNE MARIE RIDLEY**

**SETTLEMENT AGREEMENT BETWEEN
ANTONIO CARLOS NETO OLIVEIRA and
STAFF OF THE ONTARIO SECURITIES COMMISSION**

PART I - INTRODUCTION

1. By Notice of Hearing dated February 1st, 2012, the Ontario Securities Commission (the “Commission”) announced that it proposed to hold a hearing to consider whether, pursuant to section 127 of the Securities Act, R.S.O. 1990, c. S.5 (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Antonio Carlos Neto Oliveira (“Oliveira”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) recommend settlement with Oliveira of the proceeding commenced by Notice of Hearing dated February 1st, 2012 (the “Proceeding”) according to the terms and conditions set out in Part V of this Settlement Agreement. Oliveira agrees to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

PART III - AGREED FACTS

3. For this Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority in Canada, Oliveira agrees with the facts as set out in Part III of this Settlement Agreement.
4. Staff and Oliveira agree that this Settlement Agreement is without prejudice to Oliveira in any past, present or future civil proceeding which may be brought by any person. Nothing in this Settlement Agreement is intended to be an admission of civil liability by Oliveira to any person or company; such liability is expressly denied.
5. Oliveira is a resident of Toronto, Ontario. He was at all material times a directing mind of C.A.D.E. Resources Group Inc., (“C.A.D.E.”), Sage Investment Group (“Sage”), Greenstone Financial Group (“Greenstone”), and Fidelity Financial Group (“Fidelity”).
6. Between October 2006 to May 2011 (the “Material Time”) Oliveira was not registered with the Ontario Securities Commission (the “Commission”) in any capacity.
7. C.A.D.E is a company incorporated pursuant to the laws of Ontario on April 5, 2005. On September 11, 2006, Sage became the registered business name for C.A.D.E. C.A.D.E. and Sage have never been registered with the Commission in any capacity.
8. Greenstone is a sole proprietorship that was registered to Oliveira in Ontario on March 26, 2009. Greenstone has never been registered with the Commission in any capacity.
9. Fidelity is a sole proprietorship that was registered to Oliveira in Ontario on September 23, 2009. Fidelity has never been registered with the Commission in any capacity.

Unregistered Trading and Advising:

10. During the Material Time, Oliveira held himself out as an investment broker offering investments through Sage, C.A.D.E., Fidelity and Greenstone.
11. In approximately 1992, Oliveira sold M.T.'s husband a life insurance policy. In October of 2006, after M.T.'s husband passed away, Oliveira met with M.T. and her son M.C. Oliveira advised M.T. and M.C. that he had a safe investment opportunity for them that would yield an expected rate of return of 7.25% in one year. M.T. and M.C. gave Oliveira five cheques payable to Sage totalling \$141,000 (the "M.T.M.C. Funds"), to invest for them. Oliveira filled out three contracts (the "Investment Contracts") and had M.T. and M.C. sign them. These Investment Contracts constituted securities as defined by s. 1 of the Act.
12. Oliveira subsequently provided M.T. with a Manulife Financial package containing a Maritime Life Investment Contract (the "Maritime Investment Contract"), in M.C.'s name, indicating he had purchased a \$33,000 GIC at 7.25% interest with a Maturity Date of November 10, 2007. Oliveira provided M.T. with a second Maritime Investment Contract in M.T.'s name indicating she had purchased a \$108,000 GIC at 7.25% interest with a Maturity Date of November 10, 2007.
13. Oliveira never deposited the funds with Manulife Financial. During the Material Time, Oliveira had no brokerage or advising relationship with Manulife Financial.
14. In approximately March of 2010, Oliveira met with another investor, G.D., and told G.D. that he was an investment advisor and that he had an investment opportunity through Fidelity involving an American oil and gas company (the "American Oil Investment Opportunity"). Oliveira advised G.D. that the American Oil Investment Opportunity would yield 15% interest. G.D. provided Oliveira with approximately \$120,000 (the "G.D. Funds"), for the American Oil Investment Opportunity.

15. The M.T.M.C. Funds and the G.D. Funds (collectively the “Investor Funds”), received by Oliveira were not used to purchase the Maritime Investment Contract or the American Oil Investment Opportunity as M.T., M.C. and G.D. were advised.
16. The Investor Funds were used by Oliveira and his business partner Anne Marie Ridley (“Ridley”) to buy, renovate and resell houses for profit (the “Housing Profits”). A portion of the Housing Profits was supposed to be returned to M.T., M.C. and G.D. as the interest they were promised in paragraphs 11, 12 & 14. Approximately \$77,000 of the Investor Funds was also misappropriated for the personal benefit of Oliveira and Ridley, through a Sage bank account controlled by Oliviera and Ridley. M.T., M.C. and G.D. were never advised that the Investor Funds would be used for the purpose of buying and renovating houses.

Fraudulent Conduct:

17. Oliveira made statements to the Investors that were false, inaccurate and misleading, including, but not limited to, the following:
 - (a) That Oliveira represented to at least one Investor that he was an investment broker and that he held funds totalling almost \$5,000,000 for his clients;
 - (b) That Oliveira represented that he was an investment advisor;
 - (c) That approximately \$141,000 of the Investor Funds from M.T. and M.C. was used to purchase the Maritime Investment Contracts through Manulife Financial; and,
 - (d) That approximately \$120,000 of the Investor Funds from G.D. was used for the American Oil Investment Opportunity.
18. These and other false, inaccurate or misleading representations and omissions were made to induce the Investors to invest the Investor Funds with Oliveira.

19. Oliveira engaged in a course of conduct relating to securities that he knew or reasonably ought to have known would result in a fraud on persons or companies contrary to s. 126.1(b) of the Act.

PART IV - CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

20. By engaging in the conduct described above, Oliveira admits and acknowledges that he contravened Ontario securities law during the Material Time in the following ways:
- (i) Oliveira traded and engaged in or held himself out as engaging in the business of trading in securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(a) of the Act, as that section existed at the time the conduct at issue commenced in October, 2006, and contrary to section 25(1) of the Act, as subsequently amended on September 28, 2009;
 - (ii) Oliveira advised and engaged in or held himself out as engaging in the business of advising members of the public with respect to investing in, buying or selling securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(c) of the Act, as that section existed at the time the conduct at issue commenced in October, 2006, and contrary to section 25(3) of the Act, as subsequently amended on September 28, 2009;
 - (iii) Oliveira directly or indirectly engaged in or participated in acts, practices or courses of conduct relating to securities, derivatives or the underlying interest of a derivative that Oliveira knew or reasonably ought to have known perpetrated a fraud on other persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest;

- (iv) Oliveira, did authorize, permit or acquiesce in the non-compliance with sections 25, 126.1(b) of the Act, as set out above, by C.A.D.E., Sage, Fidelity, Greenstone and Ridley, contrary to section 129.2 of the Act and contrary to the public interest;.

- 21. Oliveira admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in sub-paragraphs 18 (i) to (iv).

PART V - TERMS OF SETTLEMENT

- 22. Oliveira agrees to the following terms of settlement listed below.
- 23. The Commission will make an order, pursuant to sections 127(1) and section 127.1 of the Act, that:
 - (a) the Settlement Agreement between Staff of the Commission and Oliveira is approved;
 - (b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Oliveira cease permanently;
 - (c) pursuant to clause 2.1 of subsection 127(1) of the Act, Oliveira is prohibited permanently from the acquisition of any securities;
 - (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Oliveira permanently;
 - (e) pursuant to clause 10 of subsection 127(1) of the Act, Oliveira disgorge to the Commission \$260,000 obtained as a result of his non-compliance with securities law, for allocation in accordance with subsection 3.4(2)(b)(i) of the Act to or for

the benefit of third parties. Such amounts are to be distributed as directed by the Commission;

- (f) pursuant to clause 6 of subsection 127(1) of the Act, Oliveira be reprimanded;
- (g) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, Oliveira resign one or more positions that he holds as a director or officer of any issuer, registrant, or investment fund manager;
- (h) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Oliveira be prohibited from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager;
- (i) pursuant to clause 8.5 of subsection 127(1) of the Act, Oliveira be prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter; and,
- (j) pursuant to clause 9 of subsection 127(1) of the Act, Oliveira pay an administrative penalty of \$130,000 for his failure to comply with Ontario securities law.

PART VI - STAFF COMMITMENT

- 24. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 25 below.
- 25. If the Commission approves this Settlement Agreement and Oliveira fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against Oliveira. These proceedings may be based on, but are not limited

to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

26. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for January 11, 2013, or on another date agreed to by Staff and Oliveira, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.
27. Staff and Oliveira agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on Oliveira's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
28. If the Commission approves this Settlement Agreement, Oliveira agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
29. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
30. Whether or not the Commission approves this Settlement Agreement, Oliveira will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

31. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

- (a) this Settlement Agreement and all discussions and negotiations between Staff and Oliveira before the settlement hearing takes place will be without prejudice to Staff and Oliveira; and,
 - (b) Staff and Oliveira will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.
32. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

33. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.
34. A faxed copy of any signature will be treated as an original signature.

Dated this 7th day of January, 2013.

“Antonio Carlos Neto Oliveira”

Antonio Carlos Neto Oliveira

“Jennifer Ruiz”

Witness

STAFF OF THE ONTARIO SECURITIES COMMISSION

“Tom Atkinson”

Tom Atkinson

Director, Enforcement Branch

Dated this 17th day of January, 2013.

“Schedule A”



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ORDER

WHEREAS on February 1st, 2012, the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the “Act”) in respect of a breach of an Order of the Ontario Securities Commission (the “Commission”) by Antonio Carlos Neto Oliveira (the “Oliveira”);

AND WHEREAS on January 27th, 2012, Staff of the Commission filed a Statement of Allegations;

AND WHEREAS Antonio Carlos Neto Oliveira entered into a Settlement Agreement dated 7th day of January, 2013, (the “Settlement Agreement”) in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Commission issued a Notice of Hearing dated January 9, 2013, setting out that it proposed to consider the Settlement Agreement;

UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from Antonio Carlos Neto Oliveira through his counsel and from Staff of the Commission;

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 between Staff of the Commission and Oliveira is approved;
- b. pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Oliveira cease permanently;
- c. pursuant to clause 2.1 of subsection 127(1) of the Act, Oliveira is prohibited permanently from the acquisition of any securities;
- d. pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Oliveira permanently;
- e. pursuant to clause 10 of subsection 127(1) of the Act, Oliveira disgorge to the Commission \$260,000 obtained as a result of his non-compliance with securities law, for allocation in accordance with subsection 3.4(2)(b)(i) of the Act to or for the benefit of third parties. Such amounts are to be distributed as directed by the Commission;
- f. pursuant to clause 6 of subsection 127(1) of the Act, Oliveira be reprimanded;

- g. pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, Oliveira resign one or more positions that he holds as a director or officer of any issuer, registrant, or investment fund manager;
- h. pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Oliveira be prohibited from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager;
- i. pursuant to clause 8.5 of subsection 127(1) of the Act, Oliveira be prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter; and,
- j. pursuant to clause 9 of subsection 127(1) of the Act, Oliveira pay an administrative penalty of \$130,000 for each failure by Oliveira to comply with Ontario securities law.

Dated at Toronto, Ontario this day of , 2013.
