



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF A25 GOLD PRODUCERS CORP.
DAVID AMAR, JAMES STUART ADAMS and
AVI AMAR**

- and -

**IN THE MATTER OF A
SETTLEMENT AGREEMENT BETWEEN STAFF
OF THE ONTARIO SECURITIES COMMISSION AND
A25 GOLD PRODUCERS CORP., DAVID AMAR,
JAMES STUART ADAMS, and AVI AMAR**

SETTLEMENT AGREEMENT

PART I - INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of A25 Gold Producers Corp. (“A25”), David Amar, James Stuart Adams (“Adams”), and Avi Amar (collectively, the “Respondents”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated December 19, 2013 (the “Proceeding”) against the Respondents according to the terms and conditions set out in Part VI of this Settlement Agreement (the “Settlement Agreement”). The Respondents agree to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

3. For the purposes of this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts as set out in Part III and the conclusion in Part IV of the Settlement Agreement.

PART III – AGREED FACTS

A. OVERVIEW

4. Between March 1, 2007 and December 31, 2012, (the “Relevant Period”), the Respondents sold securities of A25 from Ontario through unregistered trading and illegal distributions to an investor in Canada and investors in Europe, and David Amar and Adams breached section 126.1(b) of the Act as that section existed during the Relevant Period (and which is now clause 126.1(1)(b) of the Act).

B. BACKGROUND

5. A25 is a corporation incorporated in the province of British Columbia on March 1, 2007. It operated out of David Amar’s condominium in Toronto, Ontario.

6. David Amar is a resident of Toronto, Ontario. David Amar is the directing mind of and a *de facto* director of A25. He controls A25. David Amar is the directing mind of and is an officer and a director of Worldwide Graphite Producers Ltd. (“Worldwide Graphite”) and Western Fortune Graphite Ltd. (“Western Fortune”), which are the companies that sold mining claims to A25.

7. Adams is a resident of Toronto, Ontario. He is a director of A25 and carried the title of President of A25 during the Relevant Period.

8. Avi Amar is a resident of Toronto, Ontario. He is the son of David Amar. He is a director of A25 and carried the titles of Secretary and Treasurer of A25 during the Relevant Period. He is also an officer and director of Western Fortune and Worldwide Graphite

9. Between March 2007 and December 2010, the Respondents caused or permitted A25 to acquire mining claims from Western Fortune and Worldwide Graphite (the “Mining Claim

Transfers”). These mining claims were sold to A25 at prices much higher than it cost to stake and maintain them; and, in some cases, they were sold to A25 shortly after they were staked.

10. As consideration for the Mining Claim Transfers, A25 agreed to provide Western Fortune and Worldwide Graphite cash payments over time and A25 shares. During the Relevant Period, A25 made some of these cash payments. A25 defaulted on paying the remainder of the cash payments, and they remained a liability of A25.

11. As a result of the Mining Claim Transfers,

a. David Amar, the directing mind of Western Fortune and Worldwide Graphite, directly or indirectly, owned or controlled substantially all of the 30 million outstanding shares of A25.

b. As well, the cash payment liabilities owed by A25 to Western Fortune and Worldwide Graphite arising from the Mining Claims Transfers remained to be paid; and, any money raised by A25 from the sale of its shares or otherwise would need to be paid to Western Fortune and Worldwide Graphite to satisfy these liabilities.

c. Furthermore, as a result of A25’s default on the cash payments, depending on the terms of the Mining Claim Transfer agreements, Western Fortune and Worldwide Graphite could either revoke the ownership of the mining claims from A25 or not be required to transfer ownership to A25 (as some of the agreements did not have ownership being transferred until full payment was received).

12. The only A25 shares that were listed on the Frankfurt Stock Exchange were the 30 million A25 shares owned or controlled, directly or indirectly, by David Amar as a result of the initial Mining Claim Transfers.

14. David Amar, Adams, and A25 caused A25 to hire salespersons and an escrow agent who marketed and sold A25 treasury shares directly to an investor in Canada and investors in Europe in 2009 and 2010. David Amar also hired salespersons, brokers and an escrow agent who marketed and sold the shares he owned or controlled and that were listed on the Frankfurt Stock Exchange.

Commissions arising from these sales for salespersons, brokers and escrow agents ranged from 35% to as high as 71%.

15. Throughout 2010, David Amar, Adams, and Avi Amar (the “Individual Respondents”) caused A25 to, and A25 did issue a series of press releases that provided A25 investors or prospective investors an inaccurate, incomplete, and/or misleading indication of the number of mining claims acquired by A25. These press releases referred to the following mineral properties: Golden Peak, White Star, Prident, IXL, Pillars of Boaz, and tenure 689804. In fact, during this period, there was only a single acquisition by A25 of mineral tenure 689804 that was completed on or about November 26, 2010.

16. On or about November 17, 2010, David Amar caused Worldwide Graphite to write to A25’s Board of Directors to “authorize and direct” them to consolidate A25’s shares 1000:1 (the “Share Consolidation”). Worldwide Graphite represented to the A25 Board that it and its shareholders directly owned or controlled through proxy votes 72.28% of the issued and outstanding shares of A25. A25’s Board, including Adams and Avi Amar, passed a resolution authorizing the Share Consolidation, and proceeded to implement the Share Consolidation.

C. CONDUCT CONTRARY TO SECTION 126.1(b) OF THE ACT

17. Within the sales approach used for A25 securities during the Relevant Period, David Amar Adams, A25 and/or their salespersons, brokers or escrow agents misled A25 investors and prospective A25 investors by failing to state facts and/or concealing facts, including, among other facts, that:

- a. the Mining Claim Transfers were related party transactions;
- b. David Amar was the directing mind of A25 and of the parties that sold the mining claims acquired by A25 in the Mining Claim Transfers;
- c. David Amar had determined the terms of the Mining Claim Transfers including the price;

- d. the mining claims acquired by A25 in the Mining Claim Transfers were sold to A25 at prices much higher than it cost to stake and maintain the mining claims; and, in some cases, they were sold to A25 shortly after they were staked;
 - e. as a result of A25's default on some of the cash payments owing under the terms of the Mining Claims Transfers, depending on the wording of the specific Mining Claims Transfer agreement, Western Fortune and Worldwide Graphite could either revoke the mining claims acquired by A25 in the Mining Claims Transfers or not be required to transfer ownership to A25;
 - f. David Amar, directly or indirectly, owned or controlled all the A25 shares listed to be sold on the Frankfurt Stock Exchange; and
 - g. the money raised from the sale of A25 treasury shares would be used substantially to pay commissions of salespersons, brokers and/or escrow agents for selling and marketing the A25 shares, and to repay A25's cash payment liabilities owed indirectly to David Amar as a result of the Mining Claim Transfers.
18. Additionally, within the sales approach used for A25 securities during the Relevant Period, David Amar, Adams, and A25 and/or their salespersons, brokers or escrow agents provided or participated in providing information to A25 investors and prospective A25 investors that was false, inaccurate and/or misleading with respect to, but not limited to, the following matters:
- a. the current state of and future plans for the development of the A25 mining claims,
 - b. the number of mining claims acquired by A25, and
 - c. the use of funds raised by the distribution of the A25 shares.
19. Once in possession of funds from A25 investors through the sale of A25 shares, David Amar, Adams and A25 caused or participated in causing the funds raised to be utilized for

purposes other than as intended and disclosed to the investors. In particular, of the approximately \$2 million¹ raised from A25 investors,

- a. none was used to explore or improve the A25 mining claims;
- b. approximately 60% was used to pay commissions to salespersons, brokers and/or escrow agents; and
- c. approximately 40% was used not to A25's benefit but for the personal benefit of the of David Amar, with Adams' knowledge or in circumstances that he ought reasonably to have had knowledge.

20. The value of the direct or indirect personal benefit to David Amar described in subparagraph 19(c) above is approximately \$797,917². David Amar received this benefit purportedly as a result of the fact, as is described above, that he directly or indirectly owned or controlled most of the A25 shares sold.

21. After the Share Consolidation, David Amar was again left as the owner, directly and indirectly, of substantially all of the outstanding A25 shares as a result of the following:

- a. Within the two months preceding the Share Consolidation, David Amar caused, with Adams' and A25's authorization, permission, and or acquiesce, A25 to receive the proceeds of the sale of 11.66 million of the A25 shares indirectly owned or controlled by David Amar, so that A25 could repay some of the debt obligation A25 owed directly or indirectly to David Amar as a result of the Mining Claim Transfers; and, within two days of the Share Consolidation, David Amar requested from A25 and received 11.66 million post Share Consolidation A25 shares to replace those he had caused to be sold;
- b. Within the month following the Share Consolidation, David Amar caused, with Adams' and A25's authorization, permission, and or acquiesce, A25 to enter another

¹ Converted to Canadian dollars using exchange rates as of the date of the Statement of Allegations.

² Converted to Canadian dollars using exchange rates as of the date of the Statement of Allegations.

Mining Claim Transfer as a result of which David Amar received indirectly 9 million post Share Consolidation A25 shares and A25 received three mining tenures – two of which had been already transferred into A25's name in 2008 and one of which had been claimed by David Amar one month before he initiated the Share Consolidation; and

c. Within two days of the Share Consolidation, with Adams' and A25's authorization, permission, and or acquiesce, David Amar requested A25 to provide him directly or indirectly post Share Consolidation A25 shares, and A25 did so provide him within the Relevant Period, to meet A25's obligation under a Mining Claim Transfer that was entered and was according to its terms to be closed prior to the Share Consolidation.

D. UNREGISTERED TRADING

22. During the Relevant Period, none of the Respondents were registered in any capacity with the Commission.

23. During the Relevant Period, the Respondents participated in acts, solicitations, conduct, or negotiations, directly or indirectly, in furtherance of the sale or disposition of A25 securities for valuable consideration, in circumstances where there were no exemptions available to the Respondents under the Act. Among other things, the Respondents engaged from Ontario salespersons, brokers, and/or escrow agents, or representatives of A25 who contacted members of the public in Canada and Europe to solicit them to purchase A25 securities.

E. ILLEGAL DISTRIBUTIONS

24. No prospectus or preliminary prospectus was filed with the Commission and no receipt for them has ever been issued by the Director as required by subsection 53(1) of the Act with respect to the trades of A25 securities set out above.

F. LIABILITY OF DIRECTORS AND OFFICERS

25. During the Relevant Period, the Adams and Avi Amar as directors and/or officers of A25, and David Amar as a *de facto* director and/or officer of A25, authorized, permitted or acquiesced in A25's non-compliance with Ontario securities law.

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

26. By engaging in the conduct described above, the Respondents admit and acknowledge that they have breached Ontario securities law by contravening sections 25 and 53 of the Act, the Respondents A25, David Amar and Adams admit and acknowledge that they have also breached Ontario securities law by contravening section 126.1(b) of the Act as that section existed during the Relevant Period (and which is now clause 126.1(1)(b) of the Act), and the Individual Respondents admit and acknowledge that they have breached Ontario securities law by contravening section 129.2 of the Act, and the Respondents acknowledge that they have acted contrary to the public interest in that:

- a. the Respondents A25, David Amar, and Adams directly or indirectly engaged or participated in an act, practice or course of conduct relating to A25 securities that they knew or reasonably ought to have known perpetrated a fraud on persons purchasing A25 securities, contrary to section 126.1(b) of the Act as that section existed during the Relevant Period (and which is now clause 126.1(1)(b) of the Act);
- b. the Respondents traded in securities without being registered to trade in securities contrary to section 25(1)(a) of the Act as that section existed at the time the conduct at issue commenced in March 2007, and contrary to subsection 25(1) of the Act, as subsequently amended on September 28, 2009;
- c. The trading of A25 securities as set out above constituted distributions of these securities by the Respondents in circumstances where there were no prospectus exemptions available to them under the Act contrary to subsection 53(1) of the Act; and
- d. the Adams and Avi Amar as directors and/or officers of A25, and David Amar as a *de facto* director and/or officer of A25, authorized, permitted or acquiesced in A25's non-compliance with Ontario securities law as set out above, and accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the Act.

PART V – RESPONDENTS’ POSITION

27. The Respondents request that the settlement hearing panel consider the following mitigating circumstances:

Avi Amar:

- a. Avi Amar is a resident of the City of Toronto in the Province of Ontario and is currently 32 years of age;
- b. Previous to the Relevant Period, he had had limited experience in the marketplace;
- c. Previous to the Relevant Period, he had limited knowledge of securities, rules and regulations;
- d. His primary role in the business of A25 was the research, location and electronic staking of mineral claims. Since 2008, he learned those skills from Mr. Horst Klassen, the prospector previously engaged by A25 and other Amar family companies, the professional geologists retained by A25, and his own research;
- e. His educational background at Trent and York University was in the Liberal Arts having studied political science and marketing. His employment experience prior to starting with A25 in 2008 was in unrelated endeavors related to marketing and customer service;
- f. He exercised decision making authority with respect to the sale of A25’s treasury shares in Europe or the sale of any shares of A25 in any jurisdiction.
- g. He relied on whatever advice and guidance was provided to him by Adams with respect to matters related to corporate governance;
- h. He relied on reports prepared by qualified geologists, including valuations related to the A25 claims, and had no reason to believe any of the reports to be inaccurate or improper;

- i. He essentially did what he was told by his father, David Amar, and Adams; and
- j. He is prepared to undertake to refrain from acting or becoming an officer or director of an issuer, applying to be registered, or trading until he attends and passes a course, acceptable to Staff, the subject matter of which includes the study of the duties of directors and officers.

David Amar:

- a. David Amar is currently 67 years of age and suffers from severe cardiac health problems for which he has recently undergone surgery and is currently under treatment. His cardiac condition is unstable. He has a surgically implanted pacemaker and defibrillator;
- b. He was born in Morocco and his family escaped Morocco as refugees to Israel;
- c. He completed grade school in Morocco and has had no formal education thereafter. His native language is Hebrew;
- d. In December of 1968, David Amar moved to Canada. He played professional soccer and had started his own painting business. Thereafter, he was self-employed in the food industry, then the fashion industry and, thereafter, the gem stone business which led to his interest in mining in 1989;
- e. He has no formal training or understanding of the securities industry; and
- f. He has had no formal training in corporate governance or securities rules and regulations.

Adams:

- a. James Adams is a resident of the City of Toronto in the Province of Ontario and is currently 57 years of age;

- b. He obtained his degree in journalism from Ryerson and since 2000 has been self-employed as a consultant in the areas of IT, web design and business planning. In 2009, he formed a company to provide transfer agent services on junior exchanges; and
- c. He has had no formal training in the securities industry.

PART VI – TERMS OF SETTLEMENT

28. The Respondents agree to the terms of settlement listed below and to the Order attached hereto, made pursuant to subsection 127(1) and section 127.1 of the Act that:

- (a) the settlement agreement is approved;
- (b) trading in any securities or derivatives by and/or of A25 cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (c) trading in any securities or derivatives by David Amar cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (d) trading in any securities or derivatives by Adams for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (e) trading in any securities or derivatives by Avi Amar for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (f) acquisition of any securities by A25 and David Amar is prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- (g) acquisition of any securities by Adams is prohibited for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

- (h) acquisition of any securities by Avi Amar is prohibited for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- (i) any exemptions contained in Ontario securities law do not apply to A25 or David Amar permanently, pursuant to paragraph 3 of subsection 127(1) of the Act;
- (j) any exemptions contained in Ontario securities law do not apply to Adams for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;
- (k) any exemptions contained in Ontario securities law do not apply to Avi Amar for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;
- (l) the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- (m) the Individual Respondents resign all positions that they hold as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
- (n) the Individual Respondents resign all positions that they hold as a director or officer of a registrant, pursuant to paragraph 8.1 of the Act;
- (o) the Individual Respondents resign all positions that they hold as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of the Act;
- (p) David Amar is prohibited from becoming or acting as a director or officer of any issuer permanently, pursuant to paragraph 8 of subsection 127(1) of the Act;
- (q) Adams is prohibited from becoming or acting as a director or officer of any issuer for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act;

- (r) Avi Amar is prohibited from becoming or acting as a director or officer of any issuer for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act;
- (s) David Amar is prohibited from becoming or acting as a director or officer of any registrant permanently, pursuant to paragraph 8.2 of the Act;
- (t) Adams is prohibited from becoming or acting as a director or officer of any registrant for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.2 of the Act;
- (u) Avi Amar is prohibited from becoming or acting as a director or officer of any registrant for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.2 of the Act;
- (v) David Amar is prohibited from becoming or acting as a director or officer of any investment fund manager permanently, pursuant to paragraph 8.4 of the Act;
- (w) Adams is prohibited from becoming or acting as a director or officer of any investment fund manager for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.4 of the Act;
- (x) Avi Amar is prohibited from becoming or acting as a director or officer of any investment fund manager for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement], pursuant to paragraph 8.4 of the Act;
- (y) A25 and David Amar are prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter permanently, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- (z) Adams is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 5 years commencing on the date of the

Commission's order approving this Settlement Agreement, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(aa) Avi Amar is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(bb) A25 and David Amar each pay an administrative penalty in the amount of \$150,000, 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, pursuant to paragraph 9 of subsection 127(1) of the Act;

(cc) Adams pay an administrative penalty in the amount of \$50,000, 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, pursuant to paragraph 9 of subsection 127(1) of the Act;

(dd) A25 disgorge to the Commission the amount of \$2,000,000, 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, pursuant to paragraph 10 of subsection 127(1) of the Act;

(ee) David Amar disgorge to the Commission the amount of \$797,917, 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, pursuant to paragraph 10 of subsection 127(1) of the Act;

(ff) David Amar shall pay costs in the amount of \$75,000, pursuant to section 127.1 of the Act;

(gg) Adams shall pay costs in the amount of \$25,000, pursuant to section 127.1 of the Act;

(hh) The Individual Respondents' right to (i) call at any residence for the purpose of trading in securities, or (ii) telephone from within Ontario to any residence within or

outside Ontario for the purpose of trading in securities, is cancelled, pursuant to subsection 37(1) of the Act; and

- (ii) Avi Amar undertakes to the Commission (i) to refrain from acting or becoming an officer or director of an issuer or affiliated company of an issuer, as such terms are defined in the Act, until he attends and passes a course, acceptable to Staff, the subject matter of which includes the study of the duties of directors and officers; and (ii) to refrain from trading in any securities or derivatives until such time as he attends and passes a course, acceptable to Staff, the subject matter of which includes the study of the standards and codes of ethics underlying securities regulation.

29. The Respondents undertake to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 28(b) to (aa) and 28(hh) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

30. The Respondents agree to attend in person at the hearing before the Commission to consider the proposed settlement.

PART VII – STAFF COMMITMENT

31. 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 32 below.

32. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondents. 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. In addition, if this Settlement Agreement is approved by the Commission, and the Respondents fail to comply with the terms of the Settlement Agreement, the Commission is entitled to bring any proceedings necessary to recover the amounts set out in subparagraphs 28 (bb) to (gg) above.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

33. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for 10:00 a.m. on Thursday March 5, 2015, or on another date agreed to by Staff and the Respondents, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Procedure.

34. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

35. If the Commission approves this Settlement Agreement, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

36. If the Commission approves this Settlement Agreement, no party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

37. Whether or not the Commission approves this Settlement Agreement, the Respondents 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 IX – DISCLOSURE OF SETTLEMENT AGREEMENT

38. 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 the Respondents before the settlement hearing takes place will be without prejudice to Staff and the Respondents; and
- (b) Staff and the Respondents 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.

39. All parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. Any obligations of confidentiality shall terminate upon the commencement of the public settlement hearing. If, for whatever reason, the Commission does not approve the Settlement Agreement, the terms of the Settlement Agreement remain confidential indefinitely, unless Staff and the Respondents otherwise agree or if required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

40. This agreement may be signed in one or more counterparts which, together, constitute a binding agreement.

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

Dated at Toronto this 3rd day of March, 2015.

____ “Jim Adams” _____

A25 GOLD PRODUCERS CORP.

Per: __Jim Adams_____ [print]

I am authorized to bind the corporation.

____ “Carla Caramanda” ____

_ Carla Caramanda _ [print]

Witness

Dated at Toronto this 3rd day of March, 2015.

____ “David Amar” _____

DAVID AMAR

____ “Avi Amar” _____

____ Avi Amar ____ [print]

Witness

Dated at Toronto this 3rd day of March, 2015.

____ “Jim Adams” _____
JAMES STUART ADAMS

____ “Carla Caramanda” ____
_ Carla Caramanda _ [print]
Witness

Dated at Toronto this 3rd day of March, 2015.

____ “Avi Amar” _____
AVI AMAR

____ “David Amar” ____
____ David Amar ____ [print]
Witness

Dated at Toronto this 3rd day of March, 2015.

____ ”Tom Atkinson” _____
TOM ATKINSON
Director, Enforcement Branch

Schedule “A”



Ontario
Securities
Commission

Commission des
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ORDER

(Subsections 127(1) and 127.1)

WHEREAS on December 19, 2013, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsections 127(1) 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 and in respect of A25 Gold Producers Corp. (“A25”), David Amar, James Stuart Adams (“Adams”) and Avi Amar (collectively, the “Respondents”). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission (“Staff”) dated December 18, 2013;

AND WHEREAS the Respondent(s) entered into a Settlement Agreement with Staff dated [date] (the “Settlement Agreement”) in which the Respondent(s) agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated December 19, 2013, subject to the approval of the Commission;

AND WHEREAS on [date], 2015, 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 the Respondents;

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

AND WHEREAS Avi Amar has undertaken to the Commission (i) to refrain from acting or becoming an officer or director of an issuer or affiliated company of an issuer, as such terms are defined in the Act, until he attends and passes a course, acceptable to Staff, the subject matter of which includes the study of the duties of directors and officers; and (ii) to refrain from trading in any securities or derivatives until such time as he attends and passes a course, acceptable to Staff, the subject matter of which includes the study of the standards and codes of ethics underlying securities regulation;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

1. the Settlement Agreement is approved;
2. trading in any securities or derivatives by and/or of A25 cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;

3. trading in any securities or derivatives by David Amar cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;
4. trading in any securities or derivatives by Adams for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;
5. trading in any securities or derivatives by Avi Amar for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;
6. acquisition of any securities by A25 and David Amar is prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
7. acquisition of any securities by Adams is prohibited for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
8. acquisition of any securities by Avi Amar is prohibited for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
9. any exemptions contained in Ontario securities law do not apply to A25 or David Amar permanently, pursuant to paragraph 3 of subsection 127(1) of the Act;
10. any exemptions contained in Ontario securities law do not apply to Adams for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;
11. any exemptions contained in Ontario securities law do not apply to Avi Amar for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;
12. the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

13. David Amar, Adams, and Avi Amar (the “Individual Respondents”) resign all positions that they hold as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
14. the Individual Respondents resign all positions that they hold as a director or officer of a registrant, pursuant to paragraph 8.1 of the Act;
15. the Individual Respondents resign all positions that they hold as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of the Act;
16. David Amar is prohibited from becoming or acting as a director or officer of any issuer permanently, pursuant to paragraph 8 of subsection 127(1) of the Act;
17. Adams is prohibited from becoming or acting as a director or officer of any issuer for a period of 5 years commencing on the date of the Commission’s order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act;
18. Avi Amar is prohibited from becoming or acting as a director or officer of any issuer for a period of 2 years commencing on the date of the Commission’s order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act;
19. David Amar is prohibited from becoming or acting as a director or officer of any registrant permanently, pursuant to paragraph 8.2 of the Act;
20. Adams is prohibited from becoming or acting as a director or officer of any registrant for a period of 5 years commencing on the date of the Commission’s order approving this Settlement Agreement, pursuant to paragraph 8.2 of the Act;
21. Avi Amar is prohibited from becoming or acting as a director or officer of any registrant for a period of 2 years commencing on the date of the Commission’s order approving this Settlement Agreement, pursuant to paragraph 8.2 of the Act;
22. David Amar is prohibited from becoming or acting as a director or officer of any investment fund manager permanently, pursuant to paragraph 8.4 of the Act;

23. Adams is prohibited from becoming or acting as a director or officer of any investment fund manager for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.4 of the Act;
24. Avi Amar is prohibited from becoming or acting as a director or officer of any investment fund manager for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement], pursuant to paragraph 8.4 of the Act;
25. A25 and David Amar are prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter permanently, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
26. Adams is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 5 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
27. Avi Amar is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of 2 years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
28. A25 and David Amar each pay an administrative penalty in the amount of \$150,000, 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, pursuant to paragraph 9 of subsection 127(1) of the Act;
29. Adams pay an administrative penalty in the amount of \$50,000, 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, pursuant to paragraph 9 of subsection 127(1) of the Act;
30. A25 disgorge to the Commission the amount of \$2,000,000, 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, pursuant to paragraph 10 of subsection 127(1) of the Act;

31. David Amar disgorge to the Commission the amount of \$797,917, 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, pursuant to paragraph 10 of subsection 127(1) of the Act;
32. David Amar shall pay costs in the amount of \$75,000, pursuant to section 127.1 of the Act;
33. Adams shall pay costs in the amount of \$25,000, pursuant to section 127.1 of the Act; and
34. The Individual Respondents' right to (i) call at any residence for the purpose of trading in securities, or (ii) telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in securities, is cancelled, pursuant to subsection 37(1) of the Act.

DATED at Toronto, this [day] day of [month], [year].
