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

SETTLEMENT AGREEMENT

PART I - INTRODUCTION

1. This is a case involving insider tipping by a senior registrant. It is essential to the fairness of, and confidence in, Ontario's capital markets, that senior registrants, such as Benedict Cheng (the "Respondent" or "Cheng"), not breach their obligations of confidentiality in respect of generally undisclosed material facts, nor suggest to others that they share that information. Despite initially misleading Staff, by agreeing to cooperate fully, Cheng has received credit for cooperation.

2. The parties shall jointly file a request that the Ontario Securities Commission (the "Commission") issue a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a public hearing (the "Settlement 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 Cheng.

PART II - JOINT SETTLEMENT RECOMMENDATION

3. Staff recommend settlement of the proceeding (the "Proceeding") commenced by the Notice of Hearing dated April 12, 2017 against the Respondent in accordance with the terms and conditions set out in Part VI of this Settlement Agreement (the "Settlement Agreement"). The Respondent consents to the making of an order (the "Order") in the form attached as Schedule "A" to this Agreement based on the facts set out herein.

4. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts set out in Part III of this Settlement Agreement and the conclusions in Part IV of this Settlement Agreement.

PART III - AGREED FACTS

Overview

5. While employed as the Co-Chief Investment Officer and Portfolio Manager of Aston Hill Asset Management Inc. ("AHAMI"), Cheng became aware of generally undisclosed material facts with respect to Amaya Gaming Group Inc. ("Amaya").

6. The Respondent was in a special relationship with Amaya based on his knowledge of AHAMI's participation in the financing of a transaction involving Amaya.

7. Cheng informed John David Rothstein ("Rothstein") about some of the material facts before they were generally disclosed, contrary to subsection 76(2) of Act. Cheng also suggested to Rothstein that he convey those material facts to Frank Soave ("Soave") before they were generally disclosed.

8. In the course of its investigation, Staff examined Cheng under oath pursuant to subsection 13(1) of the Act. In the course of that examination, Cheng made misleading statements to Staff on material matters and/or omitted facts required to make the statements not misleading, contrary to paragraph 122(1)(a) of the Act.

9. Cheng disclosed to Rothstein the nature and some of the content of the confidential summons he received from Staff on May 4, 2016, plus information about his confidential examination, contrary to section 16 of the Act.

Background

10. In 2014, AHAMI was a wholly-owned subsidiary of Aston Hill Financial Inc. ("AHF").

11. According to AHF's Annual Information Form for the year ended December 31, 2014, in 2014:

(a) AHF (through its subsidiaries) was engaged in the management, marketing, distribution and administration of mutual funds, closed-end funds, private equity funds, hedge funds and segregated institutional funds;

(b) AHAMI was a Toronto-based registered investment fund manager specializing in the development, sales and management of closed-end investment funds, open-end funds and hedge funds; and

(c) AHF was a reporting issuer in Ontario with its shares publicly traded on the Toronto Stock Exchange ("TSX") under the symbol "AHF".

12. Between January 2007 and September 2016, the Respondent was the President of AHF and the Co-Chief Investment Officer at AHF and AHAMI. Cheng had been registered with the Commission since at least 1997.

13. In 2014, Rothstein was a senior Vice President and National Sales Manager at AHAMI. In 2014, Rothstein reported to Cheng and Cheng was his boss.

Cheng Learns About the Acquisition

14. On or about April 25, 2014, a representative of Canaccord Genuity Group Inc. ("Canaccord") invited AHAMI to sign a non-disclosure agreement ("NDA") in order to attend a

meeting to learn about an investment opportunity which, to pursue, required AHAMI to learn generally undisclosed material facts about Amaya.

15. After learning about the opportunity, Cheng agreed to have AHF sign the NDA on behalf of AHAMI. On April 29, 2014, a representative of AHAMI met with representatives of Canaccord and Amaya and learned about a proposed transaction whereby Amaya would acquire all of the issued and outstanding shares of Oldford Group Limited, the parent company of the owner and operator of the PokerStars and Full Tilt Poker brands, in a transaction valued at over US$4 billion (the "Acquisition"). The Acquisition was a material fact in respect of Amaya.

16. The investment opportunity was for funds managed by AHAMI to participate in financing the Acquisition (together with significant debt from other lenders and new Amaya shares to be issued at $20 per share).

17. In 2014, Amaya shares traded on the TSX under the symbol AYA. The price for Amaya shares closed on the TSX on April 29, 2014 at $6.82 per share. Amaya's intention to issue new shares at $20 per share represented a significant premium over the then market price for those shares, and was also a material fact with respect to Amaya.

18. Two funds managed by Cheng agreed to participate in financing the Acquisition and, as such, Cheng knew of the Acquisition before its existence was generally disclosed, and the material fact that it was intended that new Amaya shares be issued at approximately $20 per share. Cheng was subsequently aware of delays to the final timing of the Amaya press release publicly announcing the Acquisition.

19. Rothstein was not part of the group at AHAMI that worked on providing financing for the Acquisition. Cheng understood that, until the events described below, Rothstein did not know about the Acquisition or its intended announcement on June 12, 2014.

Soave's Argent Losses

20. AHF, through its Calgary office, had an administration and management agreement with Argent Energy Trust and/or related companies (collectively, "Argent"), which owned oil and gas assets in several US states. Eric Tremblay ("Tremblay"), AHF's Chairman and Chief Executive Officer ("CEO") and the ultimate designated person ("UDP") of AHAMI, was also chairman of Argent. Argent's securities were listed on the TSX.

21. Soave was an investment advisor operating from a CIBC Wood Gundy ("CIBC") branch in Thornhill, Ontario. He and several other investment advisors at that branch had purchased Argent securities on their own behalf and/or on behalf of clients.

22. Cheng learned from Rothstein and others in early 2014 that Soave and/or other CIBC investment advisors and/or their clients had suffered significant losses in Argent. Rothstein conveyed to Cheng that Soave (on his own behalf and on behalf of one or more other CIBC investment advisors and/or clients) would most likely sell off Argent securities and potentially other funds managed by AHAMI unless Soave received some sort of compensation.

Cheng Tells Rothstein About the Acquisition

23. On or before June 11, 2014, Rothstein spoke with Cheng. Cheng told Rothstein about the Amaya Acquisition and that it would occur soon. Cheng told Rothstein that he could pass along this tip to Soave and other CIBC Thornhill advisors.

24. At some point after that conversation, Rothstein spoke with Cheng and asked Cheng who the main parties were involved in the pending Amaya Acquisition. Cheng responded that he believed that "BlackRock" and "Blackstone" were the main private equity sponsors, meaning BlackRock Inc. and The Blackstone Group L.P., two large U.S.-based asset managers. The participation of BlackRock and Blackstone in the Acquisition was a material fact with respect to Amaya. Rothstein seemed satisfied with that information and then ended the conversation.

25. Amaya publicly announced the Acquisition on June 12, 2014. The price for Amaya shares opened on the TSX on June 13, 2014 at $19.05 per share.

Subsequent Discussions

26. During a trip to Rio de Janeiro in mid-June 2014, Tremblay asked Cheng to join a conversation with Michael Killeen ("Killeen"), the Chief Operating Officer of AHF and the President of AHAMI. Killeen informed Tremblay and Cheng that John Hanrahan, the President, Chief Compliance Officer, CEO and UDP of Aston Hill Securities ("AHS") (another AHF subsidiary) had been looking into trading in Amaya securities by AHS brokers prior to the June 12, 2014 announcement of the Acquisition.

27. In or around late June 2014:

(a) Cheng spoke with Tremblay by telephone. Tremblay was concerned, as he had been for some time, about complaints concerning Argent's performance from Soave and other brokers at the CIBC Thornhill branch. In response, Cheng conveyed that he believed Rothstein had told Soave about the Acquisition. Tremblay was relieved; and

(b) Rothstein confirmed to Cheng that he had told Soave about the Acquisition in advance of its announcement.

28. On or about June 30, 2014, Cheng and other executives at AHF/AHAMI, including Tremblay, Killeen and Larry Titley ("Titley"), the Chief Financial Officer of AHF, were in the Dominican Republic.

29. In the mid-afternoon, Tremblay asked Cheng to meet with him and Killeen at a poolside cabana. When Cheng arrived at the cabana, Tremblay and Killeen were already there. Cheng recalls the following about that conversation:

(a) Killeen described the steps that he was taking with respect to his investigation into trading in Amaya at AHAMI. Tremblay wanted to know when the review would be finished.

(b) Later in the conversation, Tremblay mentioned to Killeen that Cheng had told Rothstein about the Acquisition and Cheng had suggested to Rothstein that he inform Soave about the Acquisition.

30. In late July 2014, likely on or about July 24, 2014, Cheng recalls that he met Tremblay, Killeen, Titley and others from AHF/AHAMI (specifically Sasha Rnjak, Derek Slemko and Kal Zakarneh) at the patio at Bymark restaurant on Wellington Street in Toronto. Cheng and others in that group then proceeded to a charity poker tournament. Cheng does not recall whether or not he discussed with Killeen or others on the Bymark patio any matters concerning Amaya, but does not deny that such a discussion may have taken place.

Cheng Provides Misleading Information to Staff

31. On or about May 4, 2016, the Commission issued and served Cheng with a summons pursuant to subsection 13(1) of the Act (the "Summons"), compelling him to attend for an examination with Staff pursuant to subsection 13(1) of the Act, and to provide documents relating to Amaya during the period September 1, 2013 to December 31, 2014. The cover letter to the Summons explained the confidentiality requirements surrounding Staff's investigation as per section 16 of the Act, and reproduced the full text of that provision.

32. Cheng was ultimately examined under oath by Staff on or about June 9, 2016 (the "Examination").

33. During his Examination, Cheng made several statements that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading. In particular, Cheng misled Staff by:

(a) denying that he informed Rothstein of material facts before they were generally disclosed; and

(b) claiming not to know anything about Rothstein informing Soave about material facts before they were generally disclosed.

34. These statements were materially misleading and were not corrected by Cheng until he was confronted with evidence to the contrary, or at all. These statements concealed the truth, which was that Cheng informed Rothstein of generally undisclosed material facts, and that Cheng suggested to Rothstein that he inform others about generally undisclosed material facts.

35. Cheng's conduct in making misleading statements to Staff was a breach of paragraph 122(1)(a) of the Act.

Cheng Informs Rothstein about Summons and Examination

36. At the commencement and end of the Examination, Cheng acknowledged that he understood the confidentiality of Staff's investigative process under section 16 of the Act. However, despite acknowledging his understanding, Cheng disclosed the nature and content of his compelled examination to Rothstein.

37. Shortly after the Examination, Cheng asked Rothstein to join him for a meeting in the PATH at or around King and Bay Streets in Toronto. Cheng informed Rothstein that he had been examined by Staff. Cheng learned from Rothstein that Rothstein was to be examined by Staff but that he had not yet been examined. Both knew or understood that the examinations concerned or were to concern Amaya. Cheng told Rothstein that the main focus of Staff's questions at his own Examination had been testimony by Killeen. Cheng and Rothstein discussed that there had been significant public information concerning a potential Amaya transaction before the formal announcement of the Acquisition on June 12, 2014. Cheng told Rothstein that this was a plausible explanation for Rothstein's trading in Amaya.

38. Approximately a week or two later, Cheng was in line for a coffee at Tim Horton's in the PATH when he saw Rothstein eating a bagel and drinking a coffee. Cheng joined Rothstein and they discussed a number of matters, including Rothstein's examination with the Commission. Cheng cannot recall whether Rothstein had been examined already by the time of this second meeting.

39. At some point after Cheng's Examination but before Tremblay's examination with Staff on June 16, 2016, Cheng telephoned Tremblay. Cheng told Tremblay that he had been examined by Staff and that a "bald friend" was the source of some evidence that arose in the Examination. Tremblay was unsure who Cheng meant and Cheng did not clarify that he was referring to Killeen. Tremblay said that it was in his and Cheng's best interest to end the conversation. Cheng agreed. The conversation ended.

40. Cheng's disclosures to Rothstein and Tremblay concerning the nature and/or content of the summons he received and Staff's confidential investigation were contrary to section 16 of the Act.

PART IV - BREACHES OF THE ACT AND CONDUCT CONTRARY TO ONTARIO SECURITIES LAW

41. By engaging in the conduct described above, the Respondent admits and acknowledges that he breached Ontario securities law by contravening section 16, subsection 76(2) and paragraph 122(1)(a) of the Act and that his actions were contrary to the public interest.

PART V - STAFF AND RESPONDENT'S POSITIONS

42. Staff note that in agreeing to the terms set out below, the Respondent has been granted substantial credit for cooperation, including the undertaking (the "Undertaking") to cooperate in the future in the form attached in Annex I to the Order at Schedule A to this Settlement Agreement. Staff do not object to the mitigating circumstances set out by the Respondent below.

43. The Respondent requests that the Settlement Hearing panel consider the following mitigating circumstances:

(a) **Dependants**. The Respondent supports his family financially, which includes two school-aged children. His wife is not presently employed.

(b) **No prior record**. The Respondent has no prior record of breaching Ontario securities law (or criminal offences).

(c) **Acted to placate a customer.** The Respondent conveyed the material facts to Rothstein noted above in order to placate Soave. Soave had threatened to pull business from AHF/AHAMI if he did not receive something of value as compensation. Cheng regrets his decision.

(d) **No trading or profit**. The Respondent did not trade in any of his personal accounts on material non-public information nor did he profit from any such trading.

(e) **Career consequences**. As a result of this investigation, the Respondent lost his positions with AHF and AHAMI, now called LOGIQ. He has not worked in the Canadian securities industry since September 2016. He has agreed to a significant ban from the industry. The publicity that is expected to follow from this settlement will likely make it very difficult for him to find work in Canada.

(f) **Testimony**. Cheng has agreed to cooperate with Staff and provide testimony at the merits hearing in this proceeding.

PART VI - TERMS OF SETTLEMENT

44. The Respondent agrees to the terms of settlement set forth below. Subject to the Commission's approval of the Settlement Agreement, and prior to the Settlement Hearing

seeking that approval, Cheng shall pay to the Commission the sum of $400,000.00 by bank draft or certified cheque in satisfaction of the administrative penalty and costs described in subparagraphs 45(k) and (l), below. For greater certainty, if the settlement is not approved by the Commission, that sum shall be returned to Cheng forthwith.

45. The Respondent consents to the Order, pursuant to which it is ordered that:

(a) the Settlement Agreement is approved;

(b) 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 the Order, pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act;

(c) any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of 6 years from the date of the Order, pursuant to paragraph 3 of subsection 127(1) of the Act;

(d) 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;

(e) 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 the Order, pursuant to paragraph 8 of subsection 127(1) of the Act;

(f) 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;

(g) 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 the Order, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

(h) 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;

(i) 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 the Order, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

(j) 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 the Order, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(k) 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;

(l) the Respondent shall pay costs of the investigation in the amount of $50,000, pursuant to section 127.1 of the Act;

(m) notwithstanding any other provision contained in the Order, the Respondent is permitted to:

(i) 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*, R.S.C. 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 the Order;

(ii) 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:

(1) the respective dealer/portfolio manager(s) is provided with a copy of the Order prior to trading or acquiring securities on Cheng's behalf;

(2) 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;

(3) 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

(4) 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

(iii) within 60 days from the date of the 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 (i) above or otherwise transfer management of any such securities to a discretionary account as described in (ii) above.

46. The Respondent has given the Undertaking to the Commission in the form attached as Annex I to the Order attached as Schedule "A" to this Settlement Agreement, which Undertaking includes an undertaking to cooperate with Staff in its investigation, including testifying as a witness for Staff in any proceedings commenced or continued by Staff or the Commission relating to the matters set out herein, and meeting with Staff in advance of that proceeding to prepare for that testimony.

47. The Respondent further consents 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 paragraph 45 above, other than subparagraphs 45(a), (k) and (l). These sanctions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

48. The Respondent acknowledges that this Settlement Agreement and Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of certain Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondent. The Respondent should contact the securities regulator of any other jurisdiction in which the Respondent intends to engage in any securities-related activities, prior to undertaking such activities.

PART VII - FURTHER PROCEEDINGS

49. If the Commission approves this Settlement Agreement, Staff will not commence or continue any other proceeding under Ontario securities law against the Respondent based on the misconduct described in Part III of this Settlement Agreement, unless the Respondent fails to comply with any terms in this Settlement Agreement or the Undertaking. In that case, Staff may bring proceedings under Ontario securities law against the Respondent that may be based on, among other things, the facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement or Undertaking.

50. Cheng acknowledges that, if the Commission approves this Settlement Agreement and Cheng fails to comply with any term in it or in the Undertaking, the Commission is entitled to bring any proceedings necessary.

PART VIII - PROCEDURE FOR APPROVAL OF SETTLEMENT

51. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which will be held on a date to be determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure*, (2017) 40 O.S.C.B. 8988.

52. The Respondent agrees to attend in person at the Settlement Hearing.

53. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

54. If the Commission approves this Settlement Agreement:

(a) the Respondent waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and

(b) 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.

55. If the Commission approves this Settlement Agreement, Staff and the Respondent will consent to the dismissal (or, if not possible, the discontinuance), without costs, of the pending proceedings between Staff and the Respondent in the Divisional Court bearing court file numbers 100/08 and 109/18.

56. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may be available.

PART IX - DISCLOSURE OF SETTLEMENT AGREEMENT

57. If the Commission does not approve this Settlement Agreement or does not make the Order:

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing will be without prejudice to Staff and the Respondent;

(b) the Settlement Payment shall be returned to Cheng forthwith; and

(c) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Amended Statement of Allegations in respect of this Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

58. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART X - EXECUTION OF SETTLEMENT AGREEMENT

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

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

Dated at Toronto, Ontario this "12th" day of June, 2018.

"Shara Roy" "Benedict Cheng"

Witness (print name): **Benedict Cheng**

Dated at Toronto, Ontario, this "12th" day of June, 2018.

STAFF OF THE ONTARIO SECURITIES COMMISSION

By: "Jeff Kehoe"

Name: **Jeff Kehoe**

Title: Director, Enforcement Branch

SCHEDULE "A"

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | 22nd Floor, 20 Queen Street West, Toronto ON M5H 3S8 | 22e étage, 20, rue queen ouest, Toronto ON M5H 3S8

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

[INSERT COMMISSIONERS OF THE PANEL]

___, 2018

ORDER

Subsection 127(1) of the

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

WHEREAS on ___, 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 an application made jointly by Benedict Cheng (**Cheng** or the **Respondent**) and Staff of the Commission for approval of a settlement agreement dated ____, 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 (**Agreement**) and Undertaking of the Respondent (attached as Annex I to this Order);

AND ON HEARING the submissions of counsel Staff and the Respondent, and considering that the $350,000 administrative penalty and $50,000 for costs payable by the Respondent has been received by the Commission in accordance with the terms of the Agreement;

IT IS ORDERED THAT:

1. the 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 the 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 the 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 the 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 the 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 the 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 the 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 the 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*, R.S.C. 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 the 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 the 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 the 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.

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