



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  
SUNWIDE FINANCE INC., SUN WIDE GROUP,  
SUN WIDE GROUP FINANCIAL INSURERS & UNDERWRITERS,  
BRYAN BOWLES, ROBERT DRURY, STEVEN JOHNSON,  
FRANK R. KAPLAN, RAFAEL PANGILINAN,  
LORENZO MARCOS D. ROMERO, and GEORGE SUTTON**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

**Overview**

1. This proceeding centres on the solicitation of various investors by Sunwide Finance Inc. ("Sunwide"), which purports to be an Ontario financial services firm. Sunwide and related businesses, Sun Wide Group and Sun Wide Group Financial Insurers & Underwriters (collectively, the "Sun Wide Group"), and individuals purporting to represent them, including Bryan Bowles ("Bowles"), Robert Drury ("Drury"), Steven Johnson ("Johnson"), Frank R. Kaplan ("Kaplan"), and George Sutton ("Sutton") (collectively, the "Sunwide Respondents"), participated in "advance-fee" schemes.

## **The Individual Respondents**

2. None of the individual respondents are registered in any capacity with the Commission.
3. Each of Sutton, Johnson, Drury, and Bowles made oral or written representations on behalf of Sunwide to members of the public variously in respect of the shares of Wi-Fi Framework Corporation (“Wi-Fi”), Remington Ventures Inc. (“Remington”), Quest Oil Corporation (“Quest”), and General Components Inc. (“GCI”). These issuers were or are United States corporations and their securities were primarily traded on the Over-the-Counter Bulletin Board.
4. Kaplan purports to be the “President, Board of Directors” of Sunwide Group. Kaplan made written representations on behalf of Sun Wide Group to members of the public purportedly guaranteeing the re-purchase of shares by Sunwide.
5. Lorenzo Marcos D. Romero (“Romero”) rented a Toronto, Ontario virtual office, which address was used to represent to investors that Sunwide was an Ontario financial services firm. Romero appears to be a resident of the Philippines.
6. Romero paid for the Toronto virtual office with a credit card in the name of Rafael Pangilinan (“Pangilinan”).

## **The Corporate Respondents**

7. None of the corporate respondents are validly-incorporated entities, reporting issuers in Ontario, or registrants in Ontario.

### **(a) Sunwide Companies**

8. Sunwide represented to investors that it was located at 20 Bay Street, 11th floor Toronto, Ontario. That address is the address for Queens Quay Executive Offices Limited, a company providing telephone, fax and postal services to international clients.
9. Sunwide Group and Sunwide Group Financial Insurers & Underwriters purported to guarantee the re-purchase of shares by Sunwide.

**(b) Century Management Division. INC**

10. The Sunwide documents directed investors to wire transfer money to an account at HSBC in New York City, U.S.A. held by Credicorp Bank, a Panamanian bank, with “further credit” to an account in the name of Century Management Division. INC [sic]. Investor funds were in fact deposited to the above-mentioned account.

**Scope of Activity**

11. The Sunwide Respondents solicited investors including during the period between May and July 2007.

**The Advanced-Fee Scheme Solicitations**

12. The Sunwide Respondents' solicitations targeted shareholders of various companies, including Wi-Fi, Remington, Quest and GCI. The investors had no previous relationship with Sunwide.

13. The Sunwide Respondents offered to purchase shares at a substantial premium only after receiving from the shareholders payment for a "refundable vendors bond", which purported to "guarantee" the purchase of the shares by Sunwide. In some cases, Sunwide also required payment to it of a fee representing the capital gains tax that would supposedly be incurred on the sale of the shares.

14. The Sunwide Respondents also solicited investors to “exercise” warrants that the Sunwide Respondents claimed were available to the shareholders based on their existing shareholdings. The Sunwide Respondents claimed that they would purchase from investors the shares allotted by the exercise of the warrants at a substantial premium only after first receiving from the investors payment of the exercise-price funds.

15. Sunwide, after collecting the funds from investors, never performed its commitment to purchase the securities at the substantial premium or at all.

16. Sunwide claimed to be conducting its business from Toronto, Ontario and the “securities purchase agreement” provided to investors, supposedly guaranteeing the share re-purchase, purports to be subject to the laws of the “State of Ontario, Canada”.

## **Breach of Ontario Securities Law**

17. The Sunwide Respondents have breached Ontario securities law by:
- a. trading and advising in securities without registration, prospectus, or an appropriate exemption from the registration requirements contrary to ss. 25 and 53 of the *Securities Act*, R.S.O. 1990, c. S.5 (the “*Act*”);
  - b. making prohibited representations to re-purchase securities contrary to s. 38 of the *Act*; and
  - c. making misrepresentations to re-purchase the shares knowing or having reasonably ought to have known that they would result in a fraud on a person contrary to s. 126.1 of the *Act*.

## **Unregistered Trading and Advising**

18. The breaches of s. 25 of the *Act* by the Sunwide Respondents include:
- a. causing investors to purchase the “refundable vendors bond” (the “Bond”), a security pursuant to the sub-definition (e) of “security” in s. 1(1) of the *Act*, and purporting to guarantee the re-purchase of shares, which was an act in furtherance of the sale of the Bond;
  - b. the solicitation of investors to “exercise” warrants and to direct to Sunwide payments with the promise of re-purchase at a substantial premium were acts in furtherance of a trade; and
  - c. advising investors in respect of the sale and purchase of securities without being registered to do so.

## **Unlawful Distributions**

19. The activities of the respondents constituted distributions of securities for which no preliminary prospectus and prospectus were issued nor receipted by the Director, contrary to section 53 of the *Act*.

### **Prohibited Representations**

20. The above representations as to the share re-purchase constitute prohibited representations under s. 38 of the *Act* because of the offer to re-purchase and the undertaking as to the future value of the shares and warrants.

### **Fraud**

21. The representations of the Sunwide Respondents as to the re-purchase at a substantial premium of shares were false, where the Sunwide Respondents knew or reasonably ought to have known that they would result in a fraud on investors contrary to s. 126.1 of the *Act*.

### **Conduct Contrary to the Public Interest**

22. The respondents' conduct, including the actions of Romero and Pangilinan, were contrary to the public interest and harmful to the integrity of the Ontario capital markets.

23. Staff reserve the right to make such further and other allegations as Staff may submit and the Commission may permit.

**DATED AT TORONTO** this 21<sup>st</sup> day of August 2008.