



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**

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

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

I. OVERVIEW

1. This proceeding involves unregistered trading and advising, a fraud on investors and misleading or untrue statements to Staff from October 2006 to May 2011 (the “Material Time”).
2. Antonio Carlos Neto David Oliveira (“Oliveira”) solicited Ontario residents to invest in securities directly and through Anne Marie Ridley (“Ridley”) and related companies, including C.A.D.E. Resources Group Inc. (“C.A.D.E.”), Sage Investment Group (“Sage”), Greenstone Financial Group (“Greenstone”), and Fidelity Financial Group (“Fidelity”).
3. In soliciting investors, Oliveira falsely held himself out as an investment advisor or investment broker and falsely informed investors that he would use their funds to buy Guaranteed Investment Certificates (the “GICs”), and shares in an American oil and gas company.

4. Through this fraudulent scheme, Oliveira raised approximately \$260,000 (the “Investor Funds”), from three Ontario residents (the “Investors”).
5. Ridley made misleading or untrue statements to Staff during a compelled examination.

II. THE CORPORATE RESPONDENTS

6. C.A.D.E. was incorporated in 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 Ontario Securities Commission (the “Commission”) in any capacity.
7. 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.
8. 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.

III. THE INDIVIDUAL RESPONDENTS

9. Oliveira is a resident of Ontario. During the Material Time, Oliveira was a directing mind of Sage, C.A.D.E., Fidelity and Greenstone. During the Material Time, Oliveira was not registered with the Commission in any capacity.
10. Ridley is a resident of Ontario. During the Material Time, Ridley was a directing mind of Sage and C.A.D.E. During the Material Time, Ridley was not registered with the Commission in any capacity.

IV. UNREGISTERED TRADING AND ADVISING IN SECURITIES CONTRARY TO SECTION 25 OF THE ACT

11. Staff allege that Oliveira traded in securities without the proper registration in circumstances in which no exemption was available, contrary to section 25(1)(a) of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the “Act”), and its predecessor, section 25(1).

12. Staff further allege that Oliveira advised in securities without the proper registration in circumstances in which no exemption was available, contrary to section 25(1)(c) of the Act, and its predecessor, section 25(3).
13. During the Material Time, Oliveira held himself out as an investment broker offering investments through Sage, C.A.D.E., Fidelity and Greenstone. 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 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.
14. 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.
15. Oliveira never deposited the funds with Manulife Financial. During the Material Time, Oliveira had no brokerage or advising relationship with Manulife Financial.
16. 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 for the American Oil Investment Opportunity.

17. At least \$77,000 of the Investor Funds were disbursed for the personal benefit of Oliveira and Ridley.

V. FRAUDULENT CONDUCT

18. 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.

19. These and other false, inaccurate or misleading representations and omissions were made to induce the Investors to invest the Investor Funds with Oliveira.

20. 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.

VI. FALSE STATEMENTS TO STAFF

21. In the course of investigating this matter, Staff conducted a compelled examination of Ridley in her capacity as officer and director of Sage and C.A.D.E. During the examination on March 25 and April 6, 2011, Ridley made inaccurate and misleading statements to Staff, including, but not limited to, the following:

- (a) That Oliveira, Sage and C.A.D.E collected no monies from the Investors;
- (b) By refusing to identify her signatures on cheques for accounts on which she was the signatory;
- (c) By stating that she did not sign cheques to Oliveira;
- (d) By denying knowledge of deposits into bank accounts on which she was the signatory;
- (e) By denying that over \$77,000 of the Investor Funds were disbursed for the personal benefit of Oliveira and Ridley.

VII. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST

22. The specific allegations advanced by Staff, are as follows:

- (a) 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.
- (b) 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.

- (c) 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;
 - (d) 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; and,
 - (e) That Ridley did make a statement or statements to a person acting under the authority of the Commission appointed to make an investigation or examination under the Act that, in a material respect and at the time and in the light of the circumstances under which the statement or statements 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 statement or statements not misleading, contrary to section 122(1)(a) of the Act and contrary to the public interest.
23. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, January 27, 2012.