



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
PAUL CAMILLO DINARDO**

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

Staff of the Ontario Securities Commission (“Staff”) allege:

I. OVERVIEW

1. On February 27, 2015, Paul Camillo DiNardo (“DiNardo”) pleaded guilty in the Ontario Superior Court of Justice (the “Superior Court”) to, among other charges, 2 counts of fraud over \$5,000, contrary to section 380(1) of the Criminal Code, R.S.C., 1985, c. C-46 (the “Criminal Code”). DiNardo’s guilty plea was accepted by the Superior Court, and on April 15, 2015, DiNardo was sentenced to 5 years in prison, less 2 years and 10 months for pretrial credit, resulting in a net effective sentence of 2 years and 2 months.
2. The offences for which DiNardo was convicted arose from transactions, business or a course of conduct related to securities.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating DiNardo’s convictions, pursuant to paragraph 1 of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).

4. The conduct for which DiNardo was sanctioned took place between April 2005 and January 2012 (the “Material Time”).

II. THE RESPONDENT

5. DiNardo is a resident of Ontario.
6. DiNardo has never been registered with the Ontario Securities Commission (the “Commission”) in any capacity.
7. On February 27, 2015, DiNardo pleaded guilty in the Superior Court in relation to 2 counts of fraud for his role in several investment schemes, involving various companies, during the Material Time. None of the companies were registered to trade with the Commission.
8. In respect of the first set of charges, between April 5, 2005 and November 29, 2010, approximately 160 individuals were recruited to invest approximately \$13 million, of which approximately \$6 million was repaid to investors. DiNardo, among others, solicited investments, whereby investors were told they were investing in oil and real estate which would yield high rates of return.
9. In respect of the second set of charges, between September 7, 2011 and January 12, 2012, DiNardo convinced his 86 year old physician to provide him with \$1.1 million, purportedly for an investment with a high rate of return in a company called North American Carrier Services. Of the \$1.1 million provided to DiNardo, \$32,500 was repaid and the remaining amount of \$1,067,500 was outstanding as of April 15, 2015.

III. THE SUPERIOR COURT OF JUSTICE PROCEEDINGS

DiNardo’s Conviction for Fraud

10. By Indictments sworn February 27, 2014 (the “Indictment”) and February 23, 2015 (the “Second Indictment”), DiNardo was charged with 5 various counts of contravening the Criminal Code.

11. On February 27, 2015, DiNardo pleaded guilty to each of the 5 counts, including 2 counts of fraud over \$5,000, contrary to section 380(1) of the Criminal Code, being count 1 of the Indictment and count 1 of the Second Indictment.

DiNardo's Sentence

12. A sentencing hearing was subsequently held on April 15, 2015 before the Honourable Justice Wein of the Superior Court. Justice Wein issued oral reasons and sentenced DiNardo to a term of imprisonment of 5 years, less 2 years and 10 months for pretrial credit, resulting in a net effective sentence of 2 years and 2 months.

IV. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

13. Pursuant to paragraph 1 of subsection 127(10) of the Act, DiNardo's convictions for offences arising from transactions, business or a course of conduct related to securities or derivatives may form the basis for an order in the public interest made under subsection 127(1) of the Act.
14. Staff allege that it is in the public interest to make an order against DiNardo.
15. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
16. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*, (2014) 37 OSCB 4168.

DATED at Toronto, this 17th day of August, 2015.