



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22 étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF
GLOBAL RESP CORPORATION**

STATEMENT OF ALLEGATIONS
(Subsections 127(1) and (2) and Section 127.1
of the *Securities Act*, RSO 1990, c. S.5, as amended)

A. ORDERS SOUGHT

1. Staff of the Enforcement Branch (“Staff”) of the Ontario Securities Commission (the “Commission”) requests that the Commission make an order pursuant to subsections 127(1) and (2) and section 127.1 of the *Securities Act*, RSO 1990, c S 5, as amended (the “Act”) to approve the settlement agreement dated May 22, 2018 between Staff and Global RESP Corporation (“Global RESP”).

B. FACTS

2. It is critical that all respondents comply with orders of the Commission to ensure that the purposes of Commission orders are achieved and to foster confidence in the capital markets.

3. Staff makes the following allegations of fact:

1. Global RESP

4. Global RESP, formerly known as Global Educational Marketing Corporation, was incorporated in Canada on or about June 11, 1997. Global RESP has been registered with the Commission as a dealer in the category of scholarship plan dealer since October 9, 1998.

5. Global RESP distributes units of the Global Educational Trust Plan (the “Plan”), a scholarship plan. Global Growth Assets Inc. (“GGAI”) is the registered investment fund manager (“IFM”) of the Plan.

6. During the period of December 19, 2009 to January 16, 2015, Issam El-Bouji (“Bouji”) was the chief executive officer and Ultimate Designated Person (“UDP”) of Global RESP.

Bouji was an officer and the UDP of GGAI until January 16, 2015. Bouji was also a director of Global RESP and GGAI until June 18, 2014.

7. Bouji is a director and a shareholder of Global Financial Associates Inc., which is the sole shareholder of Global RESP. Bouji is the sole shareholder of GGAI.

2. The 2014 Order

8. On April 14, 2014, Bouji entered into a settlement agreement with the Commission along with Global RESP, GGAI, the Global Education Trust Foundation (the “Foundation”) and Margaret Singh (the “2014 Settlement Agreement”).

9. In the 2014 Settlement Agreement, Global RESP and the other respondents admitted to a number of breaches of Ontario securities law. Global RESP admitted and acknowledged that its compliance system did not meet reasonable compliance practices and that changes were required to strengthen its compliance system.

10. The parties agreed to sanctions that were imposed as part of an order of the Commission dated April 16, 2014 (the “2014 Order”) which approved the 2014 Settlement Agreement. In addition to imposing terms and conditions on the registration of GGAI and Global RESP and ordering that Bouji, GGAI and Global RESP be jointly and severally liable for an administrative penalty and costs of \$150,000 and \$75,000 respectively, the 2014 Order imposed sanctions against Bouji. In particular, Bouji was:

- permanently suspended as UDP of Global RESP and GGAI;
- required to resign as a director or officer of the Foundation and of any registrant or IFM;
- prohibited for nine years from becoming or acting as a director or officer of any reporting issuer, registrant, IFM or the Foundation; and
- prohibited permanently from becoming or acting as a UDP or chief compliance officer of any registrant or IFM.

11. Bouji’s nine year prohibition on becoming or acting as an officer or director of any reporting issuer, registrant, IFM or the Foundation will expire on April 16, 2023.

3. Bouji’s Breach of the 2014 Order

12. During the period of January 17, 2015 to December 31, 2017 (the “Material Time”), Bouji was in charge of sales at Global RESP and acted as a *de facto* officer of Global RESP. In

doing so, Bouji breached the 2014 Order which prohibited Bouji from acting as an officer of a registrant.

13. The 2014 Order is a decision of the Commission and constitutes Ontario securities law.

4. Global RESP's Failure to Implement an Adequate System of Controls and Supervision

14. Notwithstanding that the 2014 Order prohibited Bouji from acting as an officer of Global RESP, no procedures were implemented by Global RESP to prevent Bouji from acting as a *de facto* vice president of sales for Global RESP and performing functions normally performed by an officer of Global RESP.

15. Global RESP's failure to implement a system of controls and supervision sufficient to provide reasonable assurance of Bouji's compliance with the 2014 Order and to manage the risks associated with its business in accordance with prudent business practices breached section 11.1 of National Instrument 31-103 *Registrant Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and section 32 of the Act.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

16. Staff alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest:

- (i) Global RESP failed to implement a system of controls and supervision sufficient to provide reasonable assurance that Bouji complied with Ontario securities law contrary to section 11.1 of NI 31-103 and section 32 of the Act; and
- (ii) by permitting or acquiescing in the conduct set out above, Global RESP engaged in conduct contrary to the public interest.

17. Staff reserves the right to amend these allegations and to make such further and other allegations as Staff deems fit and the Commission may permit.

DATED this 22nd day of May, 2018.

Derek Ferris
Senior Litigation Counsel
Enforcement Branch
Tel: (416) 593-8111

Lawyer for Staff of the
Ontario Securities Commission