ALBERTA SECURITIES COMMISSION

DECISION

Citation: Re Global 8 Environmental Technologies, Inc., 2016 ABASC 29 Date: 20160202

Global 8 Environmental Technologies, Inc., Halo Property Services Inc., Canadian Alternative Resources Inc., Rene Joseph Branconnier and Chad Delbert Burback

Panel:	Kenneth Potter, QC Fred Snell, FCA
Appearing:	Robert Stack for Commission Staff
	H. Roderick Anderson for René Joseph Branconnier
	Patricia Taylor for Chad Delbert Burback
	Daniel Wolf for Global 8 Environmental Technologies, Inc.
Submissions Completed:	18 November 2015
Decision:	2 February 2016

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I. INTRODUCTION

[1] In a 5 June 2015 decision cited as *Re Global 8 Environmental Technologies, Inc.*, 2015 ABASC 734 (the **Merits Decision**), we found that Global 8 Environmental Technologies, Inc. (**G8**), Halo Property Services Inc. (**Halo**), Canadian Alternative Resources Inc. (**CAR**), René Joseph Branconnier (**Branconnier**) and Chad Delbert Burback (**Burback**) each engaged in capital market misconduct. (We made no findings against Milverton Capital Corporation (**Milverton**), which is no longer a party in these proceedings.)

[2] Following the issuance of the Merits Decision, Staff (**Staff**) of the Alberta Securities Commission (**ASC**), G8, Branconnier and Burback made submissions on the issue of appropriate orders, and we received additional evidence. We received no submissions from Halo or CAR.

[3] Staff sought two types of orders based on our findings in the Merits Decision: sanctions under sections 198 and 199 of the *Securities Act* (Alberta) (the **Act**); and recovery of costs of the investigation and hearing under section 202.

[4] For the reasons set out below, we are ordering significant sanctions against G8, Halo, CAR, Branconnier and Burback. We are also ordering the recovery of a portion of investigation and hearing costs from Branconnier and from Burback.

II. BACKGROUND

[5] As summarized at para. 15 of the Merits Decision:

- G8, Branconnier and Burback engaged in illegal trades and distributions of G8 Securities;
- Halo, CAR, Branconnier and Burback engaged in illegal distributions of Halo/CAR Securities;
- Halo, CAR, Branconnier and Burback made a prohibited representation;
- G8, Halo, CAR, Branconnier and Burback made materially misleading or untrue statements;
- Branconnier and Burback authorized or acquiesced in certain misconduct by G8, Halo and CAR; and
- by contravening Alberta securities laws as found, G8, Halo, CAR, Branconnier and Burback also acted contrary to the public interest.

[6] We also found that Branconnier was the guiding mind of G8, Halo, CAR and Milverton, and a de facto director and officer of G8, Halo and CAR. Burback was a director of CAR and was a director and officer of G8 and Halo.

[7] In determining appropriate sanctions, we did not consider any of the withdrawn or dismissed allegations, including those of fraud.

III. PRELIMINARY MATTERS

A. Previous Orders

[8] On 30 July 2009, the ASC issued the temporary **G8 Interim Order**, which was later extended until the hearing of the matter is concluded and a decision is rendered – see *Re Global 8 Environmental Technologies, Inc.*, 2009 ABASC 369 and *Re Global 8 Environmental Technologies, Inc.*, 2009 ABASC 412. The G8 Interim Order prohibits trading in securities of G8 and prohibits G8 from trading in securities and using Alberta securities laws exemptions.

[9] On 28 May 2010, the ASC issued the temporary **Halo/CAR Interim Order**, which was later extended until the hearing of the matter is concluded and a decision is rendered – see *Re Halo Property Services Inc.*, 2010 ABASC 243 and *Re Halo Property Services Inc.*, 2010 ABASC 262. The Halo/CAR Interim Order prohibits trading in securities of Halo and CAR and prohibits Halo, CAR and Burback from trading in securities and using Alberta securities laws exemptions. From 11 June 2010 Burback has been permitted to trade in securities in his personal accounts through a registrant who has been given a copy of the Halo/CAR Interim Order.

[10] Given that Branconnier was G8's guiding mind and that Burback was a director and officer of G8 at relevant times, we conclude that Branconnier and Burback were aware of the G8 Interim Order from July 2009. Given that Branconnier was Halo's and CAR's guiding mind and that Burback was subject to (and received a variation of) the Halo/CAR Interim Order, we conclude that both were aware of the Halo/CAR Interim Order from May 2010.

B. G8 Investor Impact Statements

[11] Wolf asked to us to admit as evidence certain redacted statements from G8 investors regarding the impact that investing in G8 had on them (the **Investor Impact Statements**). Although the parties before us agreed on the content of the Investor Impact Statements and agreed that comparable evidence from investor witnesses was appropriate, counsel for Branconnier and counsel for Burback objected to the admission into evidence of this information from non-witnesses. Their concerns included: it would be inappropriate for Wolf to tender evidence for the purpose of arguing what sanctions should be considered against respondents other than G8 itself (for which Wolf was agent); Staff had already presented all the evidence they thought sufficient regarding harm to investors and the capital market; there was uncertainty as to what Wolf said to G8 investors in asking for their comments; and, in general, Wolf had no standing to bring such material before the panel.

[12] Staff noted that the Investor Impact Statements as tendered were "fairly compliant with the general spirit of victim impact statements", omitting such things as "name calling" and "pejorative descriptions". Staff also submitted that the content was similar to that adduced from investor testimony during the hearing, but adduced differently. Therefore, Staff contended that the content remaining in the Investor Impact Statements was relevant and should be admitted.

[13] We admitted the Investor Impact Statements into evidence as information that could assist us in making our determinations here. We turn now to the parties' submissions on what, if any, weight should be given to those statements.

[14] Staff noted that the Investor Impact Statements confirmed the harm done to "some fairly vulnerable people, who were taken advantage of here" but that there could be some concerns with process and weight.

[15] Counsel for Burback argued that the Investor Impact Statements should be given "no weight". She stated they were unreliable because they were unsworn, with cross-examination unavailable. Further, there was a dearth of evidence as to the process Wolf used to obtain them, whether he provided a template to investors, the extent of "typographical errors" he corrected, the number of responses he received from G8 shareholders and the number he provided, the dates of their investments, and their places of residence. Counsel for Branconnier adopted those submissions.

[16] As part of his submissions, Wolf stated that he did not tell investors what to say and did not "modify" the Investor Impact Statements – he merely wanted to make them easier to read.

[17] Although evidence regarding the impact of misconduct on particular investors is relevant, the nature of the information in the Investor Impact Statements unfortunately led us to assign them no weight. We are not satisfied that the Investor Impact Statements were sufficiently reliable or connected to the proven allegations (we do not know, for example, when many of those G8 investors became G8 shareholders and on what terms). However, we did take into account the G8 investor witness testimony on this topic as relevant and useful evidence.

C. Submissions and Other Comments by Wolf

[18] In written and oral submissions – and despite cautions by the panel before the latter – Wolf repeatedly made comments about the conduct of Branconnier and Burback. Those comments were outside the scope of the allegations and findings in this matter. Wolf also made suggestions regarding appropriate sanctions for Branconnier and Burback, primarily in light of allegations and findings that Wolf thought should have been made.

[19] We completely disregarded Wolf's comments and submissions when they went outside of what his role should have been as agent for G8 in this sanction and cost-recovery phase of the hearing. None of our conclusions here gave any credence to allegations Wolf argued should have been brought, findings he contended should have been made (most notably, his references to "fraud"), amounts he claimed were raised (considerably higher than the amounts proved during the hearing), or sanctions he thought should be imposed on Branconnier or Burback. In contrast, we did note Wolf's comments regarding how the misconduct of Branconnier and Burback (particularly the former as G8's guiding mind) could affect the appropriate sanctions to be ordered against G8. Finally, we declined to address Wolf's comments regarding "inadequacies in law".

IV. ANALYSIS

A. Sanctions

1. The Law

[20] Staff, counsel for Branconnier, counsel for Burback, and Wolf appeared to agree on the basic principles and factors involved in determining what, if any, sanctions would be appropriate

in light of the particular circumstances and the particular respondent. As noted, we did not hear from Halo or CAR.

(a) Principles

[21] ASC sanctioning powers are protective and preventative, not punitive or remedial – see *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, 2001 SCC 37 at paras. 39-45. Sanctions are imposed for the purpose of protecting investors and the Alberta capital market from harm that could otherwise be caused in the future by a particular respondent (specific deterrence) or those tempted to emulate a respondent's misconduct (general deterrence) – see *Re Cartaway Resources Corp.*, 2004 SCC 26 at paras. 52-62; and *Re Podorieszach*, 2004 ABASC 567 at para. 17.

(b) Factors

[22] Relevant sanction factors have been set out frequently by the ASC, including at para. 11 of *Re Lamoureux*, [2002] A.S.C.D. No. 125 (affirmed on other grounds 2002 ABCA 253), as restated at para. 43 of *Re Workum and Hennig*, 2008 ABASC 719 (affirmed 2010 ABCA 405):

- the seriousness of the findings against the respondent and the respondent's recognition of that seriousness;
- characteristics of the respondent, including capital market experience and activity and any prior sanctions;
- any benefits received by the respondent and any harm to which investors or the capital market generally were exposed by the misconduct found;
- the risk to investors and the capital market if the respondent were to continue to operate unimpeded in the capital market or if others were to emulate the respondent's conduct;
- decisions or outcomes in other matters; and
- any mitigating considerations.

2. Parties' Positions

(a) Staff

[23] Staff sought against Branconnier:

- permanent bans on "trading in securities", "acting in a management or consultative capacity in connection with activities in the securities market", and "acting as an officer and director of any issuer"; and
- an administrative penalty of $500,000.

[24] Staff sought against Burback:

- permanent bans on "trading in securities", "acting in a management or consultative capacity in connection with activities in the securities market", and "acting as an officer and director of any issuer"; and
- an administrative penalty of $150,000.

[25] Staff sought against G8 that:

- "all trading and purchasing in G8 securities should be prohibited until G8 files and receives a receipt for a prospectus from the Executive Director" of the ASC (the **Executive Director**); and
- "all of the exemptions contained in Alberta securities laws should permanently not apply to G8".

[26] Staff sought against Halo and CAR that:

- "all trading and purchasing in Halo and CAR securities should cease permanently".

[27] Staff stated that they saw no need for a ban against Branconnier, Burback, Halo or CAR on the use of Alberta securities law exemptions, nor for a purchasing ban against Branconnier or Burback. Staff recommended that no carve-outs be given from any bans imposed on Branconnier or Burback.

[28] Staff considered that banning G8, Halo and CAR from trading in or purchasing securities other than their own (respectively) "would be justifiable . . . based on the conduct of the individuals behind" those companies.

(b) Branconnier

[29] Counsel for Branconnier submitted that appropriate orders against Branconnier would be:

- cease trading in any securities for 10 to 15 years (with suggested carve-outs, as discussed below);
- a ban on acting in a management or consultative capacity in connection with activities in the securities market for 10 to 15 years;
- a ban for 10 to 15 years on acting as a director or officer of any issuer, registrant or investment fund manager (with suggested carve-outs, as discussed below); and
- an administrative penalty of $150,000.

[30] Counsel for Branconnier agreed that a purchasing ban would be appropriate, as would a denial-of-exemptions order – both for the same suggested 10 to 15 year period.

(c) Burback

[31] Emphasizing that Burback had been subject to, and complied with, orders since 2010, counsel for Burback submitted that appropriate orders against Burback would be:

- cease trading in any securities for five years (with suggested carve-outs, as discussed below);
- a ban for five years on acting as a director or officer of any issuer, registrant or investment fund manager (with suggested carve-outs, as discussed below); and
- an administrative penalty of no more than $15,000.

[32] Counsel for Burback acknowledged that an order banning the use of exemptions would not be surprising in the circumstances. She also agreed that Staff's suggested ban on acting in a management or consultative capacity in connection with activities in the securities market would be appropriate. However, she did not think that an absolute ban on purchasing securities would be appropriate.

(d) G8

[33] As noted, we disregarded Wolf's arguments on behalf of G8 that set out his view of appropriate sanctions for Branconnier and Burback (for misconduct found in the Merits Decision as well as for actions which Wolf contended that Branconnier and Burback engaged in and should have been held accountable).

[34] Wolf emphasized that G8 had cooperated fully with Staff during the investigation and hearing. He stated that he had no objection to a continued cease-trade order, "so long as the possibility exists for the company to be treated like a normal, law-abiding company, should events make future business possible". Wolf characterized G8 as "insolvent and inactive", with "no plans to revive it as a going concern".

[35] Regarding the permanent denial-of-exemptions order sought by Staff, Wolf stated that "it would be a shame to have the exemptions slammed shut" in the event that a possible business opportunity arose. He appeared to hold a similar position on the question of having a cease-trade order apply to G8 trading in and purchasing securities other than its own.

[36] Wolf suggested an administrative penalty "of the entire amount of funds raised in Alberta" to be paid jointly and severally by Branconnier, Burback, G8, Halo and CAR. We note that this would effectively mean that satisfaction of such amount would be sought against Branconnier and Burback, as G8, Halo and CAR would not likely have any funds.

(e) Halo and CAR

[37] We received no submissions from Halo or CAR.

3. Application of Factors

(a) Seriousness of Misconduct and Recognition of Seriousness

(i) Seriousness

[38] We found instances of illegal trades and illegal distributions, as well as a prohibited representation and materially misleading or untrue statements (which we refer to as misrepresentations). We further found that Branconnier and Burback authorized or acquiesced in certain of the misconduct. Finally, we found that the contraventions of Alberta securities laws constituted conduct contrary to the public interest.

[39] Our securities regulatory system mandates certain protections for investors, such as a prospectus (information about the security and the issuer) and the participation of a registrant (who must meet certain requirements and learn specific information about the investor, including financial resources and risk tolerance). Exemptions may be available from such requirements, but only under strict parameters. Investors rely on these protections and on the truthfulness of the information they receive. Here, exemptions were abused and untruthful information was

made available to investors. This misconduct undermined basic protections in our securities regulatory system, thus harming particular investors and general confidence in the integrity and efficiency of the Alberta capital market. This was all serious misconduct. (We note that among the exemption abuses found, we did not make a finding that there were "sham officers", as contended by Staff, although we concluded that exemptions were not available through connections with "nominal officers".)

[40] We also consider serious Branconnier's and Burback's indirect misconduct (by authorizing or acquiescing in certain misconduct by others). Such actions show not only a disregard for securities law requirements, but also a failure to ensure that those in subordinate positions conduct themselves in accordance with such requirements.

[41] In our view, the seriousness of our finding of conduct contrary to the public interest accords with the seriousness of the underlying misconduct.

[42] The most serious aspect of Branconnier's and Burback's misconduct, however, was that the Halo/CAR operation started a very short time after the G8 Interim Order was made. As stated above, Branconnier and Burback were aware of the G8 Interim Order and its implications. The G8 Interim Order made clear that there were significant prima facie concerns with the manner in which G8 securities had been sold. Despite that, Branconnier and Burback became involved in the Halo/CAR operation, which led to further findings of misconduct against them.

[43] Accordingly, the seriousness of the misconduct favours strong sanctions against G8, Halo, CAR, Branconnier and Burback – particularly against the latter two.

(ii) Recognition of Seriousness

[44] Counsel for Branconnier conceded that all breaches of the Act are serious and that "Branconnier's conduct is serious". He also proposed significant sanctions as warranted – even agreeing that some sanctions beyond those proposed by Staff (notably, a denial-of-exemptions order) would be appropriate. Staff argued that such "recognition carries less weight coming in the form of submissions from counsel", rather than testimony from Branconnier. We accept that Branconnier recognized the seriousness of his misconduct. This is a moderating factor for Branconnier.

[45] Counsel for Burback stated that Burback accepted our findings against him were serious, and pointed to his testimony as "indicative of his intent to approach this matter with seriousness". She also proposed some not insignificant sanctions and agreed that a denial-of-exemptions order would not be surprising. However, as Staff noted, these submissions continued to point to others as more involved or more responsible. Overall, we conclude that Burback tried to deflect responsibility more than to accept it, although he did recognize that his was serious misconduct. We are not convinced that sanctions otherwise appropriate for Burback should be moderated on that basis, and we consider his recognition of seriousness to be a neutral factor overall.

[46] G8 accepted that its misconduct was serious. Wolf was clear from the beginning that G8 would cooperate with the ASC, and G8 did so, apparently to the best of its ability given limited

resources. Wolf also accepted that a continued cease trade order against G8 would be appropriate. This is a moderating factor for G8.

[47] Neither Halo nor CAR participated in this process. However, given the uncertainty of their status and leadership, this was not necessarily an indication that they did not take the proceedings and findings seriously. This is a neutral factor for Halo and CAR.

(b) Characteristics of Respondents

[48] None of these respondents had a history of prior sanction with the ASC, although G8 became subject to the G8 Interim Order, and Halo, CAR and Burback became subject to the Halo/CAR Interim Order.

[49] Branconnier had been involved in other companies before G8 (including the public company Thermo Tech), although his counsel characterized his "background in the capital markets [as] not overly extensive". Burback had not been a director or officer of a public company before becoming a director of G8 in 2000 or 2001 and its CFO in 2007. The allegations and our findings related to conduct starting in May 2005, by which time Branconnier and Burback had several years of experience with G8. Both men had even more public-company experience when the Halo/CAR operation commenced several years later, including experience with issuing securities and using exemptions. Branconnier's and Burback's experience in the capital markets before the Halo/CAR operation and, to a lesser extent, before the start of the G8-related misconduct, is an aggravating factor for their sanctions.

[50] More important, as mentioned, Branconnier and Burback were aware of the G8 Interim Order. They were thus aware, before embarking on the Halo/CAR operation, that there were serious prima facie concerns with how G8 securities were traded and distributed. They were also aware of the existence and importance of exemption requirements. Despite that, Branconnier and Burback appeared to take no steps to ensure that the new Halo/CAR operation complied with Alberta securities laws. This is a seriously aggravating factor for sanction regarding Branconnier's and Burback's Halo/CAR-related misconduct.

[51] Staff contended that both Branconnier and Burback "had connections to other enterprises that have attracted regulatory attention", specifically Pacific Ocean Resources Corporation (**Pacific Ocean**) and Digagogo Ventures Corp. (**Digagogo**).

[52] Regarding Pacific Ocean, Staff pointed to a British Columbia Securities Commission (**BCSC**) decision stating that Branconnier had incorporated that company in 1983 and was, in 2011, a consultant and its sole banking signatory (see *Pacific Ocean Resources Corporation*, 2011 BCSECCOM 563 at paras. 5, 8). However, Branconnier was not a respondent in that proceeding and no findings were made against him.

[53] Regarding Digagogo, Staff referred to a 2011 BCSC cease-trade order and subsequent 2013 ASC reciprocal order: *Re Digagogo Ventures Corp.*, 2011 BCSECCOM 388; and *Re Digagogo Ventures Corp.*, 2013 ABASC 18. The BCSC decision cease-traded Digagogo securities in August 2011 because of Digagogo's apparent failure to disclose Branconnier's positions and role with the company. The ASC reciprocated that order in 2013, stating in part

that affidavit evidence presented showed that Digagogo was "operating in Red Deer, Alberta through a licensee, and at least one Albertan has invested in Digagogo" (at para. 4). Branconnier himself was not the subject of either order. Staff also referred to testimony before us that Staff investigators encountered Burback at the office of Digagogo in Red Deer, although the evidence was unclear if Burback was involved with Digagogo or, if so, in what capacity. Staff contended that the encounter with Burback was "[p]resumably" at the Red Deer location referred to in the ASC's reciprocal order.

[54] Staff argued that Branconnier's and Burback's involvement with these "other enterprises" contributed to them continuing to be "a substantial threat to investors and the reputation of capital markets in Alberta". Counsel for Branconnier contended that the BCSC had not made any findings against Branconnier regarding Pacific Ocean or Digagogo, and that no proceeding had been commenced in BC against him relating to Digagogo. Counsel for Branconnier also stated that there was "no evidence that Mr. Branconnier had any involvement with the activities of the Alberta licensee of Digagogo".

[55] Given the vague and uncertain aspects of the evidence before us, we do not find these references to purported misconduct to be relevant for our determination on sanction.

[56] G8, Halo and CAR were under the guiding mind of Branconnier at the time of their respective misconduct, so that Branconnier's characteristics are relevant in addressing this factor in relation to those three companies. On that basis, we find that the appropriate sanctions should be somewhat increased for G8 and significantly increased for Halo and CAR.

(c) Benefits to Respondent; Harm to Investors or Capital Market

[57] We were satisfied that the illegal trades and distributions of G8 securities in the relevant period totalled between $5 and $9 million. Some of those trades and distributions were made in the context of associated misrepresentations.

[58] We were satisfied that the illegal distributions of Halo/CAR securities in the relevant period totalled approximately $200,000. Some of those distributions were made in the context of associated misrepresentations and a prohibited representation.

[59] G8 did not appear to keep much of the benefit from the money raised from investors. There was evidence that Milverton received significant amounts of G8 money, but also evidence that there were apparently some real or potential business opportunities within G8 and that considerable invested funds went towards such opportunities. Although there was not extensive information on the use of the Halo/CAR money, the evidence "was that Halo/CAR investor money was spent for Halo/CAR business purposes" (Merits Decision at para. 285).

[60] There was little evidence before us on the extent to which Branconnier directly benefited from money raised through G8's and Halo/CAR's sales of securities and, thus, through his own misconduct in connection with both operations. We do know that considerable amounts ended up with Milverton, Branconnier's company, including several million dollars of G8 money paid to Milverton for consulting fees. We are satisfied that Branconnier intended to benefit – and did benefit – from these payments. (Amounts were also paid to connected companies.) There was

evidence that Milverton received money from the Halo/CAR illegal distribution, but actually paid out more money on Halo expenses than was received. Again, however, we are satisfied that Branconnier intended to gain some financial benefit from the money raised through the Halo/CAR operation. Overall, the benefits to Branconnier (including indirect and intended benefits) persuade us that significant sanctions are appropriate.

[61] Burback appeared to receive a relatively modest amount for salary and expenses (some of the latter criticized by Staff as not proper business-related expenses). As with Branconnier, Burback clearly had an intention to benefit from both the G8 and Halo/CAR operations. In our view, this factor calls for somewhat more significant sanctions than would otherwise be warranted for Burback.

[62] Clearly investors and our capital market are harmed by misconduct of the sort that occurred here. Not only were investors illegally separated from their money, but the investor witnesses apparently received no money back and no returns on their investments. We reject the contention by counsel for Branconnier that global economic events starting in 2008 should have any effect on our consideration of the losses that investors suffered in this matter. In addition to harm to specific investors, confidence was impaired in our capital market as a whole and in the exempt portion of that market in particular. This could cause even compliant issuers to face greater challenges raising money in the future from securities sales. This factor favours significant sanction for Branconnier, Burback, G8, Halo and CAR.

(d) Risk to Investors or Capital Market

[63] In our view, Branconnier and Burback would pose a grave risk to investors and the capital market were they not to receive significant restrictions on aspects of their future capital-market activity.

[64] The most significant indicator of risk is the fact that both Branconnier and Burback were aware of the concerns with the G8 trades and distributions – as indicated by the G8 Interim Order – yet immediately began securities sales through the Halo/CAR operation. At best, this showed a lack of awareness of securities laws and a corresponding unwillingness to ameliorate that lack; at worst, it showed deliberate flouting of securities laws. Moreover, their misconduct involved elements of dishonesty in the prohibited representation and the various misrepresentations (although we did not sustain the more serious allegations of fraud). Finally, it was clear that Branconnier attempted to distance himself from both operations by portraying himself as a consultant, although counsel for Branconnier did acknowledge our findings that Branconnier was the guiding mind of G8 and Halo/CAR and a de facto director and officer of G8, Halo and CAR.

[65] We conclude there is a strong need for substantial specific deterrence in these circumstances. The need for specific deterrence for Branconnier is somewhat moderated by the noted recognition of the seriousness of his misconduct. We do not consider highly persuasive the statement by counsel for Branconnier that Branconnier "has no intention to pursue any further involvement" in the Alberta capital market and thus "poses less of a future risk". We do acknowledge the point that Branconnier has apparently not been involved in the Alberta capital market since the 2010 imposition of the Halo/CAR Interim Order. We are not convinced by

counsel for Branconnier's contention that reputational damage makes Branconnier "unlikely to gain employment in the Alberta capital markets or with investors here", given that Branconnier's misconduct involved him hiding behind a consulting role rather than appearing to be directly involved with G8, Halo or CAR.

[66] The need for specific deterrence for Burback is somewhat moderated by his apparent compliance since 2010 with restrictions placed on him by the Halo/CAR Interim Order. However, we disagree that Burback poses no threat to the capital market (thus that there is no need for specific deterrence), as implied by his counsel when stating that he "now understood the capital raising requirements".

[67] There is also a strong need for significant general deterrence to deter those who would be tempted to abuse capital-market exemptions or to recklessly or deliberately give misinformation to prospective investors. Also highly important is the need to ensure that others respect and learn from ASC interim orders. Finally, it is crucial to emphasize to those considering participating in our capital market that sanctions may well follow even if the person in question does not (as Branconnier did not) hold an official position in the company at issue.

[68] Staff contended that current G8 management has not shown that it "is ready to deal with securities regulation in Alberta", that G8's "prospects look bleak", and that its public disclosure is lacking. Accordingly, Staff argued G8 poses "at least some risk" of causing future harm to investors and the capital market. Wolf stated that it would be "virtually impossible" for G8 to behave illegally in the future, given his control through "super-voting rights". We conclude, despite Wolf's reassurances, that specific and general deterrence require significant sanction against G8, with the possibility for some capital-market activity allowed in the future under certain conditions.

[69] Neither Halo nor CAR appears to be active or to have any assets or any possibility of operating in the future. However, there remains the possibility that either or both could be revived and again be used as an instrument of misconduct. For reasons already mentioned, significant specific and general deterrence are appropriate for each of Halo and CAR.

(e) Previous Decisions

[70] It can be difficult to compare the facts of one case to another. However, it is important that we consider previous decisions to ensure sanctions imposed are proportionate both to the misconduct found and to each respondent's personal circumstances. None of the decisions to which we were pointed involved back-to-back offerings after an interim cease-trade order for the first, although *Re Cloutier*, 2014 ABASC 170 did involve a breach of an interim order. As we considered the back-to-back aspect a critical factor, the previous decisions were of limited use in that regard. We did, however, discern some salient comparators in other aspects of the previous decisions.

[71] Staff stated that "more serious violations of Alberta securities laws will attract lengthy and broad market access prohibitions and large administrative penalties", such as those suggested by Staff here. Staff referred to several previous ASC decisions: *Cloutier*; *Re Harris operating as Harris Agencies*, 2011 ABASC 138; *Re Platinum Equities Inc.*, 2014 ABASC 376; and

Re Zeiben, 2014 ABASC 412. However, these decisions each involved a finding of fraud – an allegation specifically rejected here. It was therefore difficult to use them to assess proportionality, as the serious nature of fraud would indicate that cases involving fraud would generally draw more severe sanctions.

[72] Counsel for Branconnier referred us to several previous decisions: *Re 1205676 Alberta Ltd.*, 2010 ABASC 544; *Re Rogers*, 2013 ABASC 484; *Re Maitland Capital Ltd.*, 2007 ABASC 818; and *Re 526053 B.C. Ltd.*, 2006 ABASC 1795. Counsel for Branconnier also distinguished the cases presented by Staff. Counsel for Burback cited previous decisions, including *Re Park*, 2006 ABASC 1056.

[73] Of the cases cited by the parties, we found *1205676* and *Maitland* most comparable for Branconnier's circumstances and found *Park* somewhat comparable for Burback's circumstances.

[74] The sanctions sought by Staff against G8, Halo and CAR are not uncommon. Specifically, ASC panels have been willing to allow for the possibility that certain corporate respondents could have a chance to again enter the capital market under strict conditions (as suggested for G8), and have frequently declined to order administrative penalties against corporate respondents if doing so could result in further harm to shareholders.

(f) Mitigating Considerations

[75] Counsel for Branconnier contended that oral statements made to investor witnesses "significantly mitigate[d] the effect of the statements that were held to be misrepresentations in some of the G8 written or video materials". We reject that submission, as we already determined in the Merits Decision (for example, at para. 644) that such oral statements could not erase misleading or untrue impressions, that such oral qualifications are "not the way to prevent a statement from being misleading or untrue, and [that] there was no such effect here".

[76] Counsel for Burback characterized the following as mitigating factors: "Burback's reliance on legal and accounting advice [as] indicative of a belief that he and the companies were compliant with securities laws"; his participation during the investigation and hearing (including making himself available for cross-examination); and the fact that he was found to have "played a significantly lesser role in the Global 8 and Halo/CAR distributions".

[77] We address these points in reverse order. Burback's relative role was already taken into account when considering the seriousness of his misconduct; this is not a mitigating factor. Intention to treat proceedings seriously, as shown by participation, is not a mitigating factor. As for relying on legal and accounting advice, we concluded in the Merits Decision that Burback did not prove that he relied on any such advice and that "he often attempted to diminish the degree of his involvement", including by attempting to deflect responsibility to lawyers and accounting professionals (at para. 66).

[78] We conclude there are no mitigating considerations for Branconnier or for Burback.

[79] We have already discussed aspects relating to G8 that moderate the otherwise necessary sanctions that would be imposed, primarily its new management, its recognition of the

seriousness of our findings, and its cooperation with Staff. We find no other mitigating considerations apply.

[80] We were not directed to, nor do we discern, any mitigating considerations for Halo or CAR.

4. Appropriate Sanctions

(a) General Comments

[81] We conclude that the circumstances here warrant significant sanctions to deliver the required message of specific and general deterrence. This was not disputed by the parties who appeared before us. As was evident, Branconnier's misconduct and circumstances attracted the greatest need for sanction.

[82] There was also no real disagreement on the types of appropriate sanction, although some aspects were in dispute. In general, the appropriate sanctions for Branconnier and Burback would include comprehensive restrictions and significant administrative penalties. There should also be significant restrictions on G8's, Halo's and CAR's potential future activities.

[83] In response to a concern expressed by at least one of the parties, we reiterate that the Act provides that the ASC may vary an order, if such variation were considered not to be prejudicial to the public interest.

(b) G8, Halo and CAR

[84] Dealing first with the corporations – G8, Halo and CAR – the public interest requires that investors and the capital market be protected from all three. For Halo and CAR, we agree with Staff's contention that the appropriate bans should be permanent. However, Staff's proposed types of ban were less extensive than we consider necessary. We conclude that each of the three companies must be banned from trading in or purchasing its own and any other securities and be banned from using Alberta securities laws exemptions. G8 appears to have at least a slight prospect of operating successfully in the future, which would benefit its remaining investors, and we conclude it should have the opportunity to do so in the future if so warranted at that time. Accordingly, we consider appropriate Staff's proposal, to which Wolf agreed on G8's behalf, that G8 should retain the option to attempt to issue securities through a receipted prospectus at some point in the future. (Such approach is not appropriate for Halo or CAR.)

[85] Staff did not seek an administrative penalty from any of G8, Halo or CAR, and we agree that any such administrative penalties would not serve the public interest in the circumstances.

(c) Branconnier and Burback

[86] Sanctions for Branconnier and Burback involve some similar considerations, to which we now turn.

(i) Types of Bans

[87] Staff sought a ban only on trading in securities, rather than on trading in or purchasing securities. As noted, counsel for Branconnier and counsel for Burback were not opposed to a purchasing restriction, although counsel for Burback did not see the need for a ban on purchasing

in all circumstances. In our view, both trading and purchasing should be restricted in the circumstances. We return below to the topic of carve-outs in this context.

[88] Staff did not seek a denial-of-exemptions order for either Branconnier or Burback. As noted, counsel for Branconnier and counsel for Burback were not opposed to such bans. Given that Branconnier's and Burback's misconduct involved illegal trades and distributions resulting from the misuse of exemptions, we conclude that denial-of exemptions orders against both individuals are crucial here.

[89] Staff proposed a director-and-officer ban for each of Branconnier and Burback, and their respective counsel agreed. We consider such bans essential. The appropriate duration of such bans and whether there should be carve-outs remained points of disagreement, and we discuss those aspects below.

[90] There appeared to be agreement as to the appropriateness of the order sought by Staff for bans on acting in a management or consultative capacity in connection with activities in the securities market. As the foundation for G8's, Halo's and CAR's activities was a consulting model and both Branconnier and Burback had underlying consulting arrangements, we consider this type of ban warranted as well.

(ii) Durations of Bans

[91] As to the durations of the various bans that we have determined are warranted for Branconnier and Burback, Staff suggested permanent bans for both men; counsel for Branconnier suggested a range of 10 to 15 years; and counsel for Burback suggested five years.

[92] We discussed above the principles of specific and general deterrence and the significance of the relevant sanctioning factors for each man. We have also considered the proportionality of the necessary types of sanction in light of the findings against each, his individual circumstances, and relevant previous decisions. In the result, we conclude that the duration of the necessary bans must be lengthy for both. However, they should be longer for Branconnier than for Burback – not be of the same length, as suggested by Staff.

Branconnier

[93] Branconnier was the guiding mind of the companies involved and was found to have engaged in serious misconduct. Crucially, he engaged in the Halo/CAR-related misconduct after becoming aware of the G8 Interim Order, without that order having any apparent effect on his actions or decision-making. However, we do accept that he recognized the seriousness of his misconduct.

[94] In all the circumstances, we conclude that the bans against Branconnier should be for a duration of at least 20 years, with the precise duration conditional on satisfaction of the monetary orders against him. In other words, we consider it appropriate that these bans endure until the later of 20 years and the date on which such monetary orders have been paid in full.

[95] Branconnier sought carve-outs from any trading or purchasing ban and from any director-or-officer ban.

[96] We conclude that a carve-out from the otherwise appropriate trading and purchasing bans would not be contrary to the public interest, given that his misconduct did not involve abuse of his personal trading privileges.

[97] Regarding the sought-after carve-out that would allow Branconnier to be "a director and officer of one non-reporting issuer of which he is the sole shareholder", counsel for Branconnier indicated that it did not seem to go against our mandate. He also seemed to suggest that Branconnier being an officer and director of a single company might address Staff's concern that Branconnier had "been sort of hiding behind these shells and pretending like he's not involved when he is". However, we do not have any information about what sorts of activity Branconnier would plan to engage in through such a company – in other words, his purpose in seeking this carve-out. In the circumstances, we cannot conclude on the material before us that such a carve-out would be appropriate in the public interest.

Burback

[98] Burback had a significant role in the G8, Halo and CAR operations and engaged in serious misconduct. As noted, this was exacerbated by his conduct with Halo/CAR after he learned of the G8 Interim Order. Burback did recognize the seriousness of the misconduct, but also continued his attempts to blame others (without providing, for example, evidence from any of those lawyers or accountants upon whom he purported to rely). However, we did also conclude that G8 "had a business and a business plan and was pursuing various business projects or opportunities" (Merits Decision at para. 627). Much of the work on such projects or opportunities seemed to have been conducted by Burback, who appeared to believe in the company. Counsel for Burback also argued that Burback should get some moderation in sanction for complying with the Halo/CAR Interim Order for several years, referring for example to *Re Euston Capital Corp.*, 2007 ABASC 338. We consider it positive that Burback has apparently shown respect for ASC orders by complying with the Halo/CAR Interim Order, although we do not think it appropriate to deduct the entire length of time (from the imposition of the Halo/CAR Interim Order to the present) from what would otherwise be an appropriate duration of bans for Burback.

[99] In all the circumstances, we conclude that the bans against Burback should be for a duration of at least 12 years, with the precise duration conditional on satisfaction of the monetary orders against him. In other words, we consider it appropriate that these bans endure until the later of 12 years and the date on which such monetary orders have been paid.

[100] Burback sought carve-outs from any trading or purchasing ban and from any director-or-officer ban.

[101] We conclude that a carve-out from the otherwise appropriate trading and purchasing bans would not be contrary to the public interest, given that his misconduct did not involve abuse of his personal trading privileges.

[102] Regarding the sought-after carve-out that would allow Burback to be "a director and officer of any issuer of which he or an immediate family member (spouse or child) are the sole

officers, directors and shareholder", counsel for Burback did not suggest any specific reason for such a carve-out. We do not have any information about what sorts of activity Burback would plan to engage in through such a company. In the circumstances, we cannot conclude on the material before us that such a carve-out would be appropriate in the public interest.

(iii) Administrative Penalties

[103] Staff sought an administrative penalty of $500,000 from Branconnier (his counsel argued for $150,000) and $150,000 from Burback (his counsel argued for $15,000). Staff did not seek joint and several payment (although this was mentioned by Wolf); we do not consider that joint and several payment of administrative penalties would be appropriate here.

[104] Given the seriousness of the misconduct – including the misconduct engaged in after Branconnier and Burback became aware of the G8 Interim Order – we consider that the amounts proposed by counsel for Branconnier and counsel for Burback, respectively, are too low. However, in light of the bans we are ordering – including some bans and aspects of bans that were not sought by Staff – we consider that Staff's proposed administrative penalties are too high.

[105] In the circumstances, we conclude that administrative penalties of $350,000 for Branconnier and $75,000 for Burback, coupled with the bans discussed, are in the public interest.

B. Cost Recovery

1. The Law

[106] There appeared to be no disagreement among the parties regarding the principles behind cost-recovery orders. *Re Marcotte*, 2011 ABASC 287 at para. 20 stated:

> A costs order is . . . a means of recovering, from a respondent found to have engaged in capital-market misconduct, certain investigation and hearing costs that would otherwise be borne indirectly by law-abiding market participants whose fees fund the [ASC's] operations. It is generally appropriate that a respondent pay at least some portion of the relevant costs. Determination of the appropriate portion may involve assessing parties' contributions to the efficient conduct and ultimate resolution of the proceeding.

[107] Counsel for Burback also emphasized that costs need to be "reasonable" in the circumstances (section 20 of the *Alberta Securities Commission Rules (General)*).

2. Parties' Positions

(a) Staff

[108] Staff initially sought to recover costs of the investigation and hearing totalling $243,214.42 against Branconnier and Burback. Staff did not seek cost recovery against G8 because it was "under new management and its shareholders were not enriched by the illegal activity of Branconnier and Burback". Staff did not seek cost recovery against Halo or CAR as they appeared "to be insolvent and never even took possession of the funds raised in their name".

[109] Staff stated that a discount had already been made to reach the approximately $240,000 figure, as no amount was included for the time of a particular Staff counsel.

[110] After reviewing Branconnier's and Burback's arguments, Staff also agreed it was appropriate to discount the costs claimed for several reasons: not all of the allegations were proved; the Staff investigative accountant had to duplicate some work done by another Staff member who no longer worked at the ASC; some food expenditures (totalling $480.98) appeared high without further explanation; and counsel for Branconnier admitted at the end of the hearing that some G8 trades were illegal.

[111] However, Staff justified "a high cost recovery" because: there were two sets of illegal distributions; the G8 matter was very complex; the investigation involved considerable travel, given the location of Branconnier, Burback and many investors; Branconnier and Burback were not forthcoming when first interviewed, when "[r]easonable admissions at the interviews may have greatly simplified this matter"; and any delay caused by G8's self-representation (through Wolf) was attributable to Branconnier (and Burback, to a lesser extent) because G8's former management had not left G8 sufficient "funds to deal with G8's legal problems".

[112] Regarding Branconnier's and Burback's contention that they had to spend considerable hearing time responding to the significant fraud allegations, Staff stated that the fraud allegations were narrowly drafted and consumed little hearing time. Moreover, Staff contended that the fraud allegations were not more significant than other allegations.

[113] Staff justified claiming cost recovery in relation to Thibault's interview and testimony. Although initially a respondent (who settled), Staff stated his involvement was important. Staff also stated they had not included costs for drafting or settling the allegations against Thibault. Consistent with Thibault appearing as a witness, Staff submitted that expenses submitted in relation to Wolf were for his appearance as a witness for Staff (before Wolf then testified for and acted as agent for G8).

[114] Finally, Staff justified cost recovery for Church's testimony in person, rather than by Skype. That attendance required a considerable expenditure for travel from outside Canada. Staff noted that Skype is "not always a perfect medium", that videoconference was not possible, and that Branconnier benefited by being able to cross-examine Church in person.

[115] Staff suggested that as between Branconnier and Burback, cost recovery could be apportioned in the same ratio as any administrative penalties ordered against them. However, given what Staff characterized as Burback "actually caus[ing] more delay in the hearing itself", Staff suggested overall that Branconnier pay two-thirds of the costs and Burback pay one-third of the costs. Staff also contended that Branconnier, as guiding mind, should bear any cost recovery otherwise appropriately allocated to G8, Halo and CAR.

(b) Branconnier

[116] Counsel for Branconnier contended that Branconnier should be responsible for no more than one-sixth of the reasonable investigation and hearing costs relating to G8 and no more than 25% relating to Halo/CAR.

[117] More specifically, counsel for Branconnier estimated that approximately 50% of the allegations were dismissed, so that the costs awarded should be no more than 50% of what the

panel determines are reasonable costs. Counsel for Branconnier challenged the reasonableness of the claimed costs on several grounds, including the number of investigation hours, certain claimed disbursements for Staff members, and costs for Church to testify in Calgary rather than through Skype.

[118] Counsel for Branconnier also disputed Staff's suggestion that G8 not be responsible for any cost recovery. Counsel for Branconnier noted that Wolf's evidence on behalf of G8 seemed largely "to try to buttress the [ASC's] case", did not advance his own position (as he had already acknowledged G8 had committed the alleged misconduct), and was basically "wasting time".

(c) Burback

[119] Counsel for Burback submitted that it would be inappropriate in the circumstances to award any cost recovery against Burback, as the costs claimed by Staff were unreasonable on several grounds and "the panel is unable to assess the reasonableness of" the costs claim: the most significant allegations (fraud) were not proven; the allegation of witness tampering was not withdrawn before the hearing; investigation costs were duplicated, as two investigators were involved; costs were claimed for investigating Thibault (a former respondent); costs were claimed relating to Wolf's testimony; and some meal expenses claimed were too high.

[120] In the event that the panel determined that a cost recovery order should be made, counsel for Burback asked that costs attributable only to proven allegations be considered and that the appropriate percentage for Burback to pay would be at most 10%.

(d) G8

[121] Wolf contended that it would be inappropriate to make a cost recovery order against G8, as G8 shareholders "were the victims" and such an order would result in a debt that could hamper any chance G8 had of conducting future business activity.

(e) Halo and CAR

[122] We received no submissions from Halo or CAR.

3. Appropriate Cost-recovery Orders

[123] We reject Staff's contention that cost-recovery orders could be based on the ratio of administrative penalties ordered. As noted, the rationale is different for cost-recovery orders than for sanction orders. We reject counsel for Burback's suggestion that the costs information submitted by Staff is insufficient for us to determine what reasonable costs were incurred in the circumstances. We conclude that both Branconnier and Burback generally contributed to the efficiency of the hearing.

[124] We do agree that only Branconnier and Burback should pay a cost-recovery amount in the circumstances. Branconnier was the guiding mind of G8, Halo and CAR. Both Branconnier and Burback authorized and acquiesced in the misconduct of G8, Halo and CAR. Accordingly, it is appropriate that Branconnier and Burback be responsible for cost recovery related to G8, Halo and CAR as well.

[125] In addition to the discounted amounts agreed to by the parties (primarily for some meals), we also discount the costs claimed by Staff on several grounds:

- One allegation was withdrawn against Burback after the close of evidence. Costs of the investigation and hearing related to that allegation must be excluded.
- Several allegations were not proven. Costs of the investigation and hearing related to those allegations must be excluded (including some of the costs of Church's and Wolf's appearances as witnesses for Staff). This includes the allegations of fraud relating to G8 and to Halo/CAR. Although Staff contended that they did not spend a great deal of their investigation or hearing time pursuing the fraud allegations, the respondents who participated in these proceedings certainly did take those allegations seriously. Accordingly, in addition to some investigation and hearing preparation costs, a considerable amount of hearing time was devoted to the respondents' ultimately successful attempts to refute the non-proven allegations.
- Some investigation time was duplicated as one investigative accountant left the ASC and some work presumably had to be redone, reviewed or both.
- There were some admissions near the end of the evidentiary portion of the hearing, which increased efficiency by enabling the parties to focus their written and oral submissions more narrowly.
- Some of Wolf's conduct of the hearing on behalf of G8 decreased the efficiency of the hearing process, and Staff's costs for such hearing time should not be recoverable from Branconnier or Burback.
- Thibault's settlement agreement included an amount "inclusive of an amount for [investigation] costs". Accordingly, costs related to the investigation of Thibault are not recoverable from Branconnier or Burback. Staff's costs to prepare for the hearing of allegations against Thibault (as he settled near the start of the hearing) are also not recoverable. We do not make any deduction for costs related to Thibault testifying as a witness for Staff (apart from the time relating to unproven allegations, as for Church's and Wolf's testimony).

[126] Although Church or Wolf (or both) could perhaps have testified for Staff through the use of technology rather than by incurring travel expenses, Staff did prove elements of their case in part through the evidence of those two men. Apart from the above-noted deduction relating to allegations not proven, we make no further deductions for such costs.

[127] It is difficult to determine precisely how much of the $240,000 in claimed costs is covered by the above necessary deductions. In assessing this, we must err in favour of Branconnier and Burback. We conclude that the appropriate amount of recoverable costs is $100,000 – slightly more than 40% of Staff's claimed costs.

[128] As between Branconnier and Burback, we discerned no appreciable difference in their respective conduct in the hearing that would justify differentiating the proportion of costs awarded against each. Although neither was completely cooperative during the investigation, each defended himself during the hearing, with or without counsel, as he was entitled to do. However, we consider that Branconnier was the subject of more of the investigation and hearing

focus, given his role as guiding mind of each of G8, Halo, CAR and Milverton. In the circumstances, we conclude that Branconnier should be responsible for 65% of the recoverable costs and Burback for 35%.

[129] Accordingly, we consider it reasonable to order that Branconnier pay $65,000 of the costs of the investigation and hearing of this matter, and Burback pay $35,000 of the costs of the investigation and hearing of this matter.

V. CONCLUSION

A. Sanctions and Cost Recovery Ordered

[130] For the reasons given, we find it is in the public interest to order the following sanctions, and it is appropriate to make the following cost-recovery orders:

Branconnier

[131] Against Branconnier we order that:

- under sections 198(1)(b) and (c) of the Act, Branconnier cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to him, until the later of (i) 2 February 2036 and (ii) the date on which all monetary orders under sections 199 and 202 for which Branconnier is responsible have been paid in full to the ASC, except he is not precluded from trading in or purchasing securities through a registrant (who has first been given a copy of this decision) in:

    - registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or locked-in retirement accounts for the benefit of one or more of Branconnier, his spouse and his dependent children;

    - one other account for Branconnier's benefit; or

    - both;

- under sections 198(1)(d) and (e), Branconnier resign all positions he holds as a director or officer of any issuer, registrant or investment fund manager, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager, until the later of (i) 2 February 2036 and (ii) the date on which all monetary orders under sections 199 and 202 for which Branconnier is responsible have been paid in full to the ASC;

- under section 198(1)(e.3), Branconnier is prohibited from acting in a management or consultative capacity in connection with activities in the securities market, until the later of (i) 2 February 2036 and (ii) the date on which all monetary orders under sections 199 and 202 for which Branconnier is responsible have been paid in full to the ASC;

- under section 199, Branconnier pay an administrative penalty of $350,000; and

- under section 202, Branconnier pay $65,000 of the costs of the investigation and hearing.

Burback

[132] Against Burback we order that:

- under sections 198(1)(b) and (c), Burback cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to him, until the later of (i) 2 February 2028 and (ii) the date on which all monetary orders under sections 199 and 202 for which Burback is responsible have been paid in full to the ASC, except he is not precluded from trading in or purchasing securities through a registrant (who has first been given a copy of this decision) in:

    - registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or locked-in retirement accounts for the benefit of one or more of Burback, his spouse and his dependent children;

    - one other account for Burback's benefit; or

    - both;

- under sections 198(1)(d) and (e), Burback resign all positions he holds as a director or officer of any issuer, registrant or investment fund manager, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager, until the later of (i) 2 February 2028 and (ii) the date on which all monetary orders under sections 199 and 202 for which Burback is responsible have been paid in full to the ASC;

- under section 198(1)(e.3), Burback is prohibited from acting in a management or consultative capacity in connection with activities in the securities market, until the later of (i) 2 February 2028 and (ii) the date on which all monetary orders under sections 199 and 202 for which Burback is responsible have been paid in full to the ASC;

- under section 199, Burback pay an administrative penalty of $75,000; and

- under section 202, Burback pay $35,000 of the costs of the investigation and hearing.

G8

[133] Against G8 we order that:

- under sections 198(1)(a), (b) and (c), all trading in or purchasing of securities of G8 cease, G8 cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to G8, permanently, except that these orders do not preclude trading in or purchasing of securities of G8 for which a filed (final) prospectus has been receipted by the Executive Director.

Halo

[134] Against Halo we order that:

- under sections 198(1)(a), (b) and (c), all trading in or purchasing of securities of Halo cease, Halo cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to Halo, permanently.

CAR

[135] Against CAR we order that:

- under sections 198(1)(a), (b) and (c), all trading in or purchasing of securities of CAR cease, CAR cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to CAR, permanently.

B. Interim Orders

[136] The G8 Interim Order and the Halo/CAR Interim Order expire, by their respective terms, with the issuance of this decision.

C. Proceeding Concluded

[137] This proceeding is concluded.

2 February 2016

For the Commission:

"original signed by"
Kenneth Potter, QC

"original signed by"
Fred Snell, FCA