

ALBERTA SECURITIES COMMISSION

DECISION

Citation: Re Nyadongo, 2022 ABASC 19

Date: 20220224

**Tinashe (Nash) Sylvester Nyadongo and 10194131 Canada Ltd., doing
business as Future Growth Investments**

Panel:

Kari Horn
Matthew Bootle
Tom Cotter

Representation:

Carson Pillar
Kelli McAllister
for Commission Staff

Sean O'Neil
for the Respondents

Hearing:

September 27, 2021

Decision:

February 24, 2022

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I. BACKGROUND

[1] In a Notice of Hearing dated March 15, 2021, Alberta Securities Commission (ASC) staff (Staff) alleged that Tinashe (Nash) Sylvester Nyadongo (Nyadongo) and 10194131 Canada Ltd., doing business as Future Growth Investments (Numberco) (together, the Respondents), contravened the *Securities Act* (Alberta) (the Act) in connection with shares in Numberco (the Numberco Shares) that they sold from approximately November 2017 to March 2019.

[2] Staff alleged that the Respondents illegally distributed Numberco Shares, contrary to s. 110(1) of the Act and engaged in fraudulent conduct contrary to s. 93(1)(b). Staff further alleged that Nyadongo authorized, permitted, or acquiesced in Numberco's contraventions of ss. 110(1) and 93(1)(b).

[3] The Respondents and Staff signed a Statement of Admissions and Joint Submission on Sanction on July 29, 2021 and August 3, 2021, respectively (the Statement), a copy of which is annexed to this decision. The Statement set out admissions of the Respondents, including contraventions of ss. 110(1) and 93(1)(b) of the Act as alleged by Staff in the Notice of Hearing. The admitted facts included:

- Numberco raised at least \$1.2 million from the sale of Numberco Shares to approximately 28 Canadian investors, 10 of whom were Alberta residents;
- at least 22 investors would not have qualified for a prospectus exemption under National Instrument 45-106 *Prospectus Exemptions*; and
- the Respondents engaged in fraudulent conduct relating to 19 of the investors by providing them with false or misleading information about the use of their funds and by misappropriating those funds for personal and other unauthorized uses, including at least \$234,000 used by or paid for the benefit of Nyadongo.

[4] In consequence of this admitted misconduct and the circumstances relevant to sanction set out in the Statement, the Respondents and Staff jointly proposed that we make certain sanction orders under ss. 198 and 199 of the Act. In addition, the parties jointly proposed a costs order under s. 202.

[5] Entered into evidence at the hearing on September 27, 2021 were the Statement, Staff's bill of costs (the Bill of Costs), and statutory declarations addressing the Respondents' financial circumstances. We heard from the parties through their respective counsel, who made submissions and responded to panel questions. We also heard from Nyadongo. The parties agreed that we would consider and decide on both the merits of the allegations and their submissions on appropriate orders.

II. FINDINGS

[6] We accept the facts and admissions set out in the Statement. On that basis, we find that the Respondents:

- breached s. 110(1) of the Act by distributing Numberco Shares without having filed and received a receipt for a preliminary prospectus or a prospectus, and, in certain cases, without an available prospectus exemption; and
- breached s. 93(1)(b) by directly or indirectly engaging or participating in an act, practice, or course of conduct relating to securities that they knew or ought to have known may perpetrate a fraud on certain investors.

[7] As set out in *Re Currey*, 2018 ABASC 34 (at paras. 52-53), joint proposals by the parties to an enforcement proceeding "generally carry considerable weight", but are not binding on a panel (citing *Re Bradbury*, 2016 ABASC 272 at para. 58). In making our own determination of what orders, if any, are in the public interest, we will order jointly recommended sanctions if we are satisfied in all the circumstances that they are within a range of reasonableness and are consistent with the ASC's public interest mandate (see also *Re Allan*, 2015 ABASC 919 at para. 21).

[8] We find that the Respondents' contraventions of Alberta securities laws warrant sanction, with a view to both specific deterrence of future misconduct by the Respondents and general deterrence of others who might otherwise act similarly. Based on the Statement and the submissions of the parties, we consider that the sanctions jointly proposed by Staff and the Respondents are within a range of reasonableness and that they are in the public interest (although we determine it appropriate to add a condition that any registrant referred to in the orders be given a copy of this decision as well as a copy of the Statement).

[9] We also agree with the parties' joint proposal that Nyadongo should pay an amount toward the costs of the investigation and hearing in this matter. As noted in the Statement, the Respondents' cooperation saved the ASC the time and expense of a contested hearing under the Act. On the other hand, as evidenced by the Bill of Costs, there were costs for an investigation, and there was a hearing (albeit a brief one), with the allegations supported by the facts admitted in the Statement. In the circumstances, we consider that the amount proposed is appropriate.

III. ORDERS

[10] We therefore make the orders set out below.

[11] Against Nyadongo, we order that:

- under s. 198(1)(d) of the Act, he must immediately resign from any position he may hold as a director or officer of any issuer, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository, designated rating organization or designated benchmark administrator;

- for a period of 20 years from the date of this decision or until the administrative penalty set out below is paid in full, whichever is the later,
 - under s. 198(1)(b), he must cease trading in or purchasing any security or derivative, except that this order does not preclude Nyadongo from trading in or purchasing securities or derivatives through a registrant (who has first been given a copy of this decision and the Statement) in registered retirement savings plans, registered retirement income funds, registered education savings plans and tax-free savings accounts (each as defined in the *Income Tax Act* (Canada)) and locked-in retirement accounts, each for the benefit of one or more of Nyadongo, his spouse and his dependent children;
 - under s. 198(1)(c), all of the exemptions contained in Alberta securities laws do not apply to him;
 - under s. 198(1)(e), he is prohibited from becoming or acting as a director or officer (or both) of any issuer, or other person or company that is authorized to issue securities, a registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository, designated rating organization or designated benchmark administrator; and
 - under s. 198(1)(e.3), he is prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
- under s. 199, he must pay to the ASC an administrative penalty of \$150,000;
- under s. 198(1)(i), he must disgorge and pay to the ASC the \$234,000 he obtained as a result of his non-compliance with Alberta securities laws; and
- under s. 202, he must pay costs in the amount of \$10,000.

[12] Against Numberco, we order with permanent effect, that:

- under s. 198(1)(a) of the Act, all trading in or purchasing of securities or derivatives of Numberco is prohibited;
- under s. 198(1)(b), Numberco must cease trading in or purchasing any securities or derivatives; and
- under s. 198(1)(c), all of the exemptions contained in Alberta securities laws do not apply to Numberco.

[13] This matter is now concluded.

February 24, 2022

For the Commission:

"original signed by"
Kari Horn

"original signed by"
Matthew Bootle

"original signed by"
Tom Cotter

ALBERTA SECURITIES COMMISSION

Docket: ENF-012049

Date: 20210803

**STATEMENT OF ADMISSIONS and JOINT SUBMISSION ON
SANCTION**

**Tinashe (Nash) Sylvester Nyadongo and 10194131 Canada Ltd., doing business as
Future Growth Investments**

Agreed Facts

Introduction

1. Solely for the purpose of regulatory proceedings in Alberta and elsewhere, and as the basis for the joint submission on sanctions set out in paragraphs 59 and 60 hereof, Tinashe (Nash) Sylvester Nyadongo (**Nyadongo**) and 10194131 Canada Ltd., doing business as Future Growth Investments (**Numberco**; Nyadongo and Numberco referred to collectively as the **Respondents**) admit and agree to the following facts for a hearing before the Alberta Securities Commission (the **Commission**) with respect to allegations made in a Notice of Hearing issued March 15, 2021.
2. Terms used in this Statement of Admissions and Joint Submission on Sanction (**Statement**) have the same meaning as provided in Alberta securities laws, a defined term in the *Securities Act*, R.S.A. 2000, c. S-4, as amended, (**Act**).

Parties

1. Nyadongo is an individual who resided in Calgary during the period of November 2017 to March 2019 (the **Relevant Period**). Nyadongo was employed by Olympia Trust Company (**Olympia Trust**) during some or all of the Relevant Period.
2. Numberco is a federal corporation with a registered office in Calgary, Alberta. Numberco was incorporated on April 16, 2017.
3. Nyadongo was a director of Numberco and its guiding mind during the Relevant Period. In addition to Nyadongo, three other individuals were directors of Numberco at various points throughout the Relevant Period; however, those individuals were nominees and had no involvement in, or knowledge of, Numberco's operations.
4. Since March 19, 2019, Nyadongo has been the sole director and officer of Numberco.

Background

5. In or around November 2017, Nyadongo, while posing as another director of Numberco without their knowledge, applied to have Numberco registered as an issuer with Olympia Trust, an application that was approved in or around January 2018.
6. During the Relevant Period, the Respondents raised capital by selling shares in Numberco to investors who:
 - 6.1 held locked-in retirement accounts or other registered accounts (**Registered Accounts**) and wanted to “unlock” or otherwise access funds in their Registered Accounts prior to retirement (**Unlock Investors**); or
 - 6.2 wanted to invest in other opportunities through Numberco, including real estate (**Retail Investors**).
7. Nyadongo corresponded and/or met with Numberco investors, provided investment information and documentation to Numberco investors and generally facilitated investments in Numberco.
8. Investors subscribed for shares of Numberco, which were registered in the name of Olympia Trust on behalf of the various Numberco investors.
9. Each of the Numberco shares are a security within the meaning of section 1(ggg) of the *Act*.

Illegal Distributions

10. During the Relevant Period, Numberco raised at least \$1.2 million by selling Numberco shares to approximately 28 Canadian investors, 10 of whom were Alberta residents. The other 18 Numberco investors resided in Ontario (6), Saskatchewan (5), Manitoba (5), Nova Scotia (1) and New Brunswick (1).
11. Of the approximately 28 investors that purchased Numberco shares, 19 were Unlock Investors and 9 were Retail Investors. Unlock Investors purchased about \$750,000 worth of Numberco shares and Retail Investors purchased about \$450,000 worth of Numberco shares.
12. As trades in securities of an issuer that had not been previously issued, the sales of Numberco shares were “distributions” as defined in the *Act*.
13. At no time did Numberco file a preliminary prospectus or prospectus with the Executive Director of the Commission, or receive a receipt for same, in respect of the distributions of shares to Numberco investors.
14. The Respondents made no attempt to qualify Numberco investors for any of the prospectus exemptions listed in National Instrument 45-106, *Prospectus Exemptions (NI 45-106)*.

15. Of the approximately 28 investors that purchased Numberco shares, at least 22 would not have qualified for any of the prospectus exemptions listed in NI 45-106, including the investors and share purchases described at paragraphs 30, 36, 42 and 48.

Fraudulent Course of Conduct

16. During the Relevant Period, the Respondents engaged in a fraudulent course of action in relation to Unlock Investors. Specifically, the Respondents:

- 16.1 provided false and misleading information to Unlock Investors about how their funds would be used, including but not limited to the false representation made to Unlock Investors that Numberco would transfer to such investors a portion of the balance of funds in their Registered Accounts and withhold the remaining balance to pay taxes; and
- 16.2 misappropriated Unlock Investor funds for Nyadongo's personal use and/or other unauthorized uses.

(collectively, the **Prohibited Acts**).

17. In carrying out the Prohibited Acts, the Respondents:

- 17.1 deceived Unlock Investors in that Numberco did not segregate, withhold, pay or otherwise put aside any funds for the purpose of paying taxes or for any other authorized purpose. Unlock Investor funds withheld by Numberco were instead used for Nyadongo's personal use and/or other unauthorized uses; and
- 17.2 deceived Unlock Investors in that they did not advise them that their funds would be, or had been, used directly or indirectly for Nyadongo's personal use and/or other unauthorized uses.

18. By carrying out the Prohibited Acts, the Respondents put Unlock Investors' pecuniary interests at risk as follows:

- 18.1 the Respondents used Unlock Investor funds for purposes that were contrary to the representations the Respondents made to those investors about how their funds would be used;
- 18.2 the Respondents either put Unlock Investors at risk of losing funds or caused those investors to lose funds; and
- 18.3 The Respondents put Unlock Investors at risk of owing taxes and penalties to the Canada Revenue Agency (**CRA**).

19. Nyadongo, by engaging in the Prohibited Acts, had knowledge of the Prohibited Acts.

20. In carrying out the Prohibited Acts, Nyadongo knew or reasonably ought to have known that engaging in the Prohibited Acts could have, as a consequence, Unlock Investor losses or those Investors' pecuniary interests being put at risk.
21. Numberco, through its guiding mind Nyadongo, had knowledge of the Prohibited Acts and knew or reasonably ought to have known that engaging in the Prohibited Acts could have, as a consequence, Unlock Investor losses or those Investors' pecuniary interests being put at risk.

Use of Funds Raised by Numberco and Current Status of Funds

22. As noted at paragraph 10, Numberco obtained at least \$1.2 million through the sale of its shares to investors. Nyadongo caused Numberco to spend all of those funds, including in the following ways:
 - 22.1 approximately \$485,000 was paid to Unlock Investors; such funds representing a portion of the value of their Registered Accounts;
 - 22.2 approximately \$440,000 was loaned to Collage Homes Inc. (**Collage**), a small Calgary business owned by an acquaintance of Nyadongo that develops real estate. The funds Numberco loaned to Collage are evidenced by 12 promissory notes, all of which matured between July 31, 2019 and June 30, 2020, and charged interest of 10 per cent per annum on the funds loaned to Collage, but the funds loaned to Collage are otherwise unsecured by any assets owned by Collage or any other party; and
 - 22.3 at least \$234,000 was used for unauthorized uses; specifically, at least \$234,000 was either used by or paid for the benefit of Nyadongo, including transfers to Nyadongo's personal accounts, cash withdrawals, retail purchases, payments to satisfy Nyadongo's personal debts and payments to relatives or acquaintances of Nyadongo.
23. To date, Collage has not made any payments to Numberco. The Respondents have not taken any legal action to collect the amounts owed by Collage.
24. During the Relevant Period, the Respondents did not make any payments to CRA, nor did they withhold or otherwise put aside any funds for the purpose of paying taxes.
25. As of the date of this Statement, Numberco has no funds remaining in its bank account and all of the funds transferred to Nyadongo's personal accounts have been spent by Nyadongo.

Specific Investors

26. The four Numberco Investors described below, and which consist of three Unlock Investors and one Retail Investor, are included for context and to provide representative examples of the two different categories of Numberco Investors.

JM

27. Unlock Investor JM resided in Alberta during the Relevant Period. JM held pension funds in a Registered Account at a large financial institution. The value of JM's Registered Account at the start of the Relevant Period was approximately \$24,100.
28. In about December 2018, JM, who was a single mother, became interested in accessing some of the funds in her Registered Account to help her pay for her post-secondary education. A friend of JM connected her with Nyadongo, whom JM had not previously met. Nyadongo told JM that he could help her access 70 per cent of the value of the funds in her Registered Account and that he would withhold the remainder to pay taxes.
29. With Nyadongo's assistance, JM transferred her Registered Account from her financial institution to Olympia Trust, where she opened another Registered Account, into which her funds were deposited. Nyadongo then directed JM to utilize the full value of her Registered Account at Olympia Trust to subscribe for Numberco shares. JM proceeded to purchase \$24,100 worth of Numberco shares, which were deposited into JM's Registered Account at Olympia Trust.
30. The Numberco shares purchased by JM were previously unissued. Nyadongo made no attempt to qualify JM for any of the prospectus exemptions listed in NI 45-106, nor did JM qualify for any such exemptions.
31. As a result of the share purchases described at paragraphs 29 and 30, Olympia Trust paid \$24,100 to Numberco. Of that \$24,100, the Respondents arranged for \$16,780 to be transferred to JM, who was told by Nyadongo that Numberco had withheld the remaining \$7,320 to pay taxes. Nyadongo did not tell JM that the \$7,320 withheld by Numberco funds would be used by him personally, nor did Nyadongo tell JM that the funds withheld by Numberco would be used to invest in any venture.
32. Contrary to what Nyadongo told JM, the \$7,320 was not used to pay taxes. Instead, Nyadongo used a portion of those funds for his own personal use and loaned a portion of the funds to Collage.

PA

33. Unlock Investor PA resided in Alberta during the Relevant Time. PA held pension funds in a Registered Account at a large financial institution. The value of PA's Registered Account at the start of the Relevant Period was approximately \$55,237.
34. In about February 2018, PA became interested in accessing some of the funds in her Registered Account and was put in touch with the Respondents. Nyadongo told PA that he

could help her access 70 per cent of the value of the funds in her Registered Account and that he would withhold the remainder to pay taxes.

35. With Nyadongo's assistance, PA transferred her Registered Account from her financial institution to Olympia Trust, where she opened another Registered Account, into which her funds were deposited. Nyadongo then directed PA to utilize the full value of her Registered Account at Olympia Trust to subscribe for Numberco shares. PA proceeded to purchase \$55,237 worth of Numberco shares, which were deposited into PA's Registered Account at Olympia Trust.
36. The Numberco shares purchased by PA were previously unissued. Nyadongo made no attempt to qualify PA for any of the prospectus exemptions listed in NI 45-106, nor did PA qualify for any such exemptions.
37. As a result of the share purchases described at paragraphs 35 and 36, Olympia Trust paid \$55,237 to Numberco. Of that \$55,237, the Respondents arranged for Numberco to pay \$37,660 to PA, who was told by Nyadongo that Numberco had withheld the remaining \$17,577 to pay taxes. Nyadongo did not tell PA that her funds would be used by him personally, nor did Nyadongo tell PA that the funds withheld by Numberco would be used to invest in any venture.
38. Contrary to what Nyadongo told PA, the \$17,577 was not used to pay taxes. Instead, Nyadongo used a portion of those funds for his own personal use and loaned a portion of the funds to Collage.

JG

39. Unlock Investor JG resided in Manitoba during the Relevant Period. JG held pension funds in a Registered Account at a large financial institution. The value of JG's Registered Account at the start of the Relevant Period was approximately \$41,400.
40. In about July 2018, JG became interested in accessing some of the funds in his Registered Account because he was out of work and needed money. JG was put in touch with the Respondents. Nyadongo told JG that he could help him access about 70 per cent of the value of the funds in his Registered Account and that he would withhold the remainder to pay taxes.
41. With Nyadongo's assistance, JG transferred his Registered Account from his financial institution to Olympia Trust, where he opened another Registered Account, into which his funds were deposited. Nyadongo then directed JG to utilize the full value of his Registered Account at Olympia Trust to subscribe for Numberco shares. JG proceeded to purchase \$41,400 worth of Numberco shares, which were deposited into JG's Registered Account at Olympia Trust.
42. The Numberco shares purchased by JG were previously unissued. Nyadongo made no attempt to qualify JG for any of the prospectus exemptions listed in NI 45-106, nor did JG qualify for any such exemptions.

43. As a result of the share purchases described at paragraphs 41 and 42, Olympia Trust paid about \$41,400 to Numberco. Of that \$41,400, the Respondents arranged for Numberco to pay about \$28,480 to JG, who was told by Nyadongo that Numberco had withheld the remaining \$12,920 to pay taxes. Nyadongo did not tell JG that those funds would be used by him personally, nor did Nyadongo tell JG that the funds withheld by Numberco would be used to invest in any venture.
44. Contrary to what Nyadongo told JG, the \$12,920 was not used to pay taxes. Instead, Nyadongo used a portion of those funds for his own personal use and loaned a portion of the funds to Collage.

BM

45. Retail Investor BM resided in Zimbabwe during the Relevant Period. He had previously resided in Alberta from 2001 until 2015, when he moved to Zimbabwe until 2019, at which point he returned to Alberta. BM held Registered Accounts at a large financial institution, the value of which was approximately \$57,900 at the start of the Relevant Period.
46. In about January 2018, Nyadongo told BM that BM could obtain better investment returns if he transferred his Registered Accounts to Olympia Trust. Nyadongo did not discuss any specific investments with BM, including the risks of any such investments.
47. With Nyadongo's assistance, BM transferred his Registered Accounts from his financial institution to Olympia Trust, where he opened Registered Accounts, into which his funds were deposited. Nyadongo then directed BM to utilize the full value of his Registered Accounts at Olympia Trust to subscribe for Numberco shares. BM proceeded to purchase \$57,900 worth of Numberco shares, which were deposited into BM's Registered Accounts at Olympia Trust.
48. The Numberco shares purchased by BM were previously unissued. Nyadongo made no attempt to qualify BM for any of the prospectus exemptions listed in NI 45-106, nor did BM qualify for any such exemptions.
49. As a result of the share purchases described at paragraphs 47 and 48, Olympia Trust paid about \$57,900 to Numberco. The Respondents arranged for those funds to be loaned to Collage.
50. BM has not received any returns on his investments with Numberco, nor has he received any of his investment principal back from the Respondents.

Breaches

51. As a result of the above, the Respondents each admit that they:
 - 51.1 breached section 110(1) of the *Act* by distributing securities of Numberco without having filed and received a receipt for a preliminary prospectus or a prospectus, and without an exemption from that requirement for some or all of the relevant distributions of Numberco securities; and

51.2 breached section 93(1)(b) of the *Act* by directly or indirectly engaging or participating in an act, practice or course of conduct relating to securities that they knew or ought to have known may perpetrate a fraud on Unlock Investors.

Additional Circumstances Relevant to Sanction

52. Retail Investors have not received any returns or their investment principal from the Respondents.
53. The Respondents have made an effort to demonstrate exemplary cooperation with the Commission in accordance with section 12(c) of Alberta Securities Commission Policy 15-601 – Credit for Exemplary Cooperation in Enforcement Matters by agreeing to enter into this Statement more than 61 days prior to the commencement of the scheduled hearing.
54. The Respondents cooperated with the investigation conducted by Staff of the Commission (**Staff**). Nyadongo attended three interviews with Staff investigators and provided them with the identities and investment amounts of all Numberco investors.
55. Nyadongo is impecunious, as evidenced by the Statutory Declaration of Tinashe Nyadongo, dated July 29, 2021.
56. None of the Respondents have any prior regulatory disciplinary or sanctioning history.
57. This Statement has saved the Commission the time and expense associated with a contested hearing under the *Act*.
58. The proposed sanctions submission below reflects all of the relevant circumstances of this case, including providing appropriate credit to the Respondents pursuant to Alberta Securities Commission Policy 15-601 – *Credit for Exemplary Cooperation in Enforcement Matters*.

Joint Submission on Sanction

59. In light of the foregoing admissions of fact and breaches of Alberta securities laws, and the additional circumstances relevant to sanction outlined above, Nyadongo and Staff agree and propose the following sanctions and orders for the Panel’s consideration with respect to Nyadongo:
 - 59.1 pursuant to section 199 of the *Act*, an administrative penalty against Nyadongo in the amount of \$150,000;
 - 59.2 pursuant to subsection 198(1)(i) of the *Act*, an order that Nyadongo pay to the Commission the \$234,000 he obtained as a result of his non-compliance with Alberta securities laws, as described at paragraph 22.3;
 - 59.3 pursuant to section 202 of the *Act*, an order that Nyadongo pay costs in the amount of \$10,000 toward the investigation and hearing of this matter;

- 59.4 pursuant to subsection 198(1)(d) of the *Act*, an order directing that Nyadongo immediately resign from any position he may hold as a director or officer of any issuer, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository, designated rating organization or designated benchmark administrator;
- 59.5 the imposition of the following market access restrictions for a period of 20 years, or until the administrative penalty imposed is paid in full, whichever is later:
- 59.5.1 pursuant to subsection 198(1)(b) of the *Act*, an order prohibiting Nyadongo from trading in or purchasing any securities or derivatives, except that Nyadongo may trade in and purchase securities for his own benefit, or for the benefit of his spouse and dependent children, in registered accounts or tax-free savings accounts purchased through a registrant who shall first be provided with a copy of this Statement;
- 59.5.2 pursuant to subsection 198(1)(c) of the *Act*, an order declaring that any or all of the exemptions contained in Alberta securities laws do not apply to Nyadongo;
- 59.5.3 pursuant to subsection 198(1)(e) of the *Act*, an order prohibiting Nyadongo from becoming or acting as a director or officer or as both a director and an officer of any issuer, or other person or company that is authorized to issue securities, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository, designated rating organization or designated benchmark administrator; and
- 59.5.4 pursuant to subsection 198(1)(e.3) of the *Act*, an order prohibiting Nyadongo from acting in a management or consultative capacity in connection with activities in the securities market.
60. In light of the foregoing admissions of fact and breaches of Alberta securities laws, and the additional circumstances relevant to sanction outlined above, Numberco and Staff agree and propose the following sanctions and orders for the Panel's consideration with respect to Numberco:
- 60.1 The imposition of the following market access restrictions, with permanent effect:
- 60.1.1 pursuant to subsection 198(1)(a) of the *Act*, an order prohibiting all trading in or purchasing of securities or derivatives of Numberco;
- 60.1.2 pursuant to subsection 198(1)(b) of the *Act*, an order prohibiting Numberco from trading in or purchasing any securities or derivatives; and
- 60.1.3 pursuant to subsection 198(1)(c) of the *Act*, an order declaring that any or all of the exemptions contained in Alberta securities laws do not apply to Numberco.

Administration

- 61. The Respondents acknowledge that they have sought and received independent legal advice and that they have each voluntarily made the admissions herein.
- 62. The Respondents acknowledge that this Statement may be used in any other proceeding under the *Act*, and for securities regulatory proceedings in other jurisdictions.
- 63. This Statement may be executed in counterpart.

Signed by Tinashe (Nash) Sylvester)
Nyadongo at Calgary, Alberta this 29 day of)
July, 2021, in the presence of:)

Sean O’Neil)
WITNESS NAME)

“Original signed by”)
SIGNATURE)

“Original signed by”)
Tinashe (Nash) Sylvester Nyadongo)

Signed by the duly authorized signatory of)
10194131 Canada Ltd. at Calgary,)
Alberta this 29 day of July, 2021, in the)
presence of:)

Sean O’Neil)
WITNESS NAME)

“Original signed by”)
SIGNATURE)

“Original signed by”)
Per: Tinashe (Nash) Sylvester Nyadongo)

) ALBERTA SECURITIES COMMISSION

Calgary, Alberta, August 3, 2021)

) “Original signed by”

) Carson Pillar

) Litigation Counsel