



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

**IN THE MATTER OF COLBY COOPER CAPITAL INC.
COLBY COOPER INC., PAC WEST MINERALS LIMITED
JOHN DOUGLAS LEE MASON**

- AND -

**IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND THE RESPONDENTS**

ORDER

(Sections 37, 127 and 127.1 of the *Securities Act*)

WHEREAS on March 27, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Colby Cooper Capital Inc. ("CCCI"), Colby Cooper Inc. ("CCI"), Pac West Minerals Limited ("Pac West"), and John Douglas Lee Mason ("Mason") (collectively, the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 27, 2012;

AND WHEREAS the Respondents entered into a Settlement Agreement with Staff of the Commission dated April 18, 2013 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 27, 2012, subject to the approval of the Commission;

AND WHEREAS on April 18, 2013, the Commission issued a Notice of Hearing pursuant to sections 37 and 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondents;

AND UPON reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for the Respondents and from Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

- (a) The settlement agreement is approved;
- (b) pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondents shall be reprimanded;
- (c) pursuant to paragraph 1 of section 127(1) of the Act, the registration granted to Mason and CCCI under Ontario securities law shall be terminated;
- (d) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by the Respondents cease permanently;
- (e) pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by the Respondents is prohibited permanently;
- (f) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents permanently;
- (g) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Mason shall resign all positions that he holds as a director or officer of any issuer, registrant or investment fund manager;
- (h) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Mason is permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (i) pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondents are permanently prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- (j) The Respondents shall be ordered to pay to the Commission, on a joint and several basis:

- i) an administrative penalty in the amount of \$500,000.00, for their failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
 - ii) costs of the Commission investigation and the hearing in the amount of \$100,000.00, pursuant to section 127.1 of the Act;
- (k) pursuant to paragraph 10 of subsection 127(1) of the Act, CCI shall disgorge to the Commission the sum of \$3,626,089.13, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (l) pursuant to paragraph 10 of subsection 127(1) of the Act, Pac West shall disgorge to the Commission the sum of \$1,223,800.00, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (m) pursuant to paragraph 10 of subsection 127(1) of the Act, Mason shall disgorge to the Commission the sum of \$1,174,175.21, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (n) Pursuant to section 37(1) of the Act, the Respondents are permanently prohibited from:
 - i) calling at any residence in Ontario for the purpose of trading in securities, or
 - ii) telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in securities.
- (o) After the payments set out in paragraphs (j), (k), (l), and (m) are made in full, as an exception to the provisions of paragraphs (d) (e) and (f), Mason is permitted to trade in or acquire, for the account of his personal registered retirement savings plan and his registered pension plan as defined in the Income Tax Act, R.S.C. 1985, c.1, as amended (the "Income Tax Act"), solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this Order) (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument

21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer; and

- (p) Until the entire amount of the payments set out in paragraphs (j), (k), (l), and (m) are paid in full, the provisions of paragraphs (d) (e) and (f) shall continue in force without any limitation as to time period.

DATED at Toronto this 24th day of April, 2013.

“James E. A. Turner”

James E.A. Turner