



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
MYRON SULLIVAN II formerly known as FRED MYRON GEORGE SULLIVAN,
GLOBAL RESPONSE GROUP (GRG) CORP., and
IMC – INTERNATIONAL MARKETING OF CANADA CORP.**

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

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

I. OVERVIEW

1. Myron Sullivan II formerly known as Fred Myron George Sullivan (“Sullivan”), Global Response Group (GRG) Corp. (“GRG”) and IMC – International Marketing of Canada Corp. (“IMC”) (together, the “Respondents”) are subject to an order made by the British Columbia Securities Commission (the “BCSC”) dated December 13, 2012 (the “BCSC Order”) that imposes sanctions, conditions, restrictions or requirements on them.
2. In its findings on liability dated December 13, 2012 (the “Findings”), a panel of the BCSC (the “BCSC Panel”) found that the Respondents engaged in an illegal distribution of securities contrary to section 61 of the *Securities Act*, R.S.B.C. 1996, c. 418 (the “BC Act”). The BCSC Panel further found that Sullivan made misrepresentations, contrary to subsection 50(1)(d) of the BC Act, and that Sullivan and GRG perpetrated a fraud, contrary to section 57 of the BC Act.

3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC Order, pursuant to paragraph 4 of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
4. The conduct for which the Respondents were sanctioned took place between 2008 and 2011 (the “Material Time”).
5. During the Material Time, Sullivan was a resident of British Columbia. Both GRG and IMC were incorporated in British Columbia.

II. THE BCSC PROCEEDINGS

The BCSC Findings

6. In its Findings, a panel of the BCSC found the following:
 - a. the Respondents distributed securities without filing a prospectus, contrary to section 61 of the BC Act;
 - b. Sullivan made misrepresentations with the intention of effecting a trade in a security, contrary to subsection 50(1)(d) of the BC Act; and
 - c. Sullivan and GRG perpetrated a fraud, contrary to section 57 of the BC Act.

The BCSC Order

7. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements:
 - a. upon Sullivan:
 - i. pursuant to subsection 161(1)(b) of the BC Act, that Sullivan cease trading permanently, and is permanently prohibited from purchasing, securities or exchange contracts;

- ii. pursuant to subsections 161(1)(d)(i) and (ii) of the BC Act, that Sullivan resign any position he holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer, registrant, or investment fund manager;
 - iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that Sullivan is permanently prohibited from becoming or acting as a registrant, investment fund manager or promoter;
 - iv. pursuant to subsection 161(1)(d)(iv) of the BC Act, that Sullivan is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
 - v. pursuant to subsection 161(1)(d)(v) of the BC Act, that Sullivan is permanently prohibited from engaging in investor relations activities;
 - vi. pursuant to subsection 161(1)(g) of the BC Act, that Sullivan pay to the BCSC the funds he obtained as a result of his contraventions of the Act, which the BCSC Panel found to be not less than \$1,739,225; and
 - vii. pursuant to section 162 of the BC Act, that Sullivan pay an administrative penalty of \$700,000;
- b. upon GRG:
- i. pursuant to subsection 161(1)(b) of the BC Act, that all persons cease trading permanently, and are prohibited permanently from purchasing, any securities of GRG;
 - ii. pursuant to subsection 161(1)(b) of the BC Act, that GRG permanently cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts;

- iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that GRG is prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;
 - iv. pursuant to subsection 161(1)(d)(v) of the BC Act, that GRG is prohibited permanently from engaging in investor relations activities; and
 - v. pursuant to subsection 161(1)(g) of the BC Act, that GRG pay to the BCSC the funds obtained as a result of its contraventions of the Act, which the BCSC Panel found to be not less than \$1,739,225;
- c. upon IMC:
- i. pursuant to subsection 161(1)(b) of the BC Act, that all persons cease trading permanently, and are prohibited permanently from purchasing, any securities of IMC;
 - ii. pursuant to subsection 161(1)(b) of the BC Act, that IMC permanently cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts;
 - iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that IMC is prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;
 - iv. pursuant to subsection 161(1)(d)(v) of the BC Act, that IMC is prohibited permanently from engaging in investor relations activities; and
 - v. pursuant to subsection 161(1)(g) of the BC Act, that IMC pay to the BCSC the funds obtained as a result of its contraventions of the Act, which the BCSC Panel found to be not less than \$1,739,225;
- d. Maximum disgorgement:

- i. the aggregate amount paid to the BCSC under paragraphs 6(a)(vi), 6(b)(v) and 6(c)(v) above shall not exceed, in the aggregate, the amount obtained by the Respondents' contraventions of the BC Act;
- e. Joint and several liability:
 - i. Sullivan, GRG and IMC be jointly and severally liable for the amount in paragraph 6(a)(vii).

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

- 8. The Respondents are subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements on them.
- 9. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.
- 10. Staff allege that it is in the public interest to make an order against the Respondents.
- 11. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
- 12. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*.

DATED at Toronto, this 21st day of March, 2013.