



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
KOLT CURRY, LAURA MATEYAK,
AMERICAN HERITAGE STOCK TRANSFER INC., and
AMERICAN HERITAGE STOCK TRANSFER, INC.**

**REASONS AND DECISION ON SANCTIONS AND COSTS
(Sections 37, 127 and 127.1 of the *Securities Act*)**

Hearing: October 10, 2013

Decision: December 20, 2013

Panel: James D. Carnwath, Q.C. - Commissioner and Chair of the Panel

Appearances: Jonathon Feasby - For Staff of the Ontario Securities
Cameron Watson Commission
Harald Marcovici

Jeffrey Larry - For the Respondents

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REASONS AND DECISION ON SANCTIONS AND COSTS

I. INTRODUCTION

[1] This was a hearing before the Ontario Securities Commission (the “**Commission**”), pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”), to determine whether it is in the public interest to order sanctions and costs against Kolt Curry (“**Curry**”), Laura Mateyak (“**Mateyak**”), American Heritage Stock Transfer Inc. (“**AHST Ontario**”) and American Heritage Stock Transfer, Inc. (“**AHST Nevada**”) (collectively, the “**Respondents**”). AHST Ontario and AHST Nevada will be collectively referred to in these reasons and decision as the “**AHST Companies**”.

[2] On January 27, 2012, the Commission issued a Notice of Hearing, pursuant to sections 127 and 127.1 of the *Act*, in connection with a Statement of Allegations filed on the same day by Staff of the Commission (“**Staff**”), to consider whether it was in the public interest to make certain orders against Sandy Winick (“**Winick**”), Andrea Lee McCarthy (“**McCarthy**”), Curry, Laura Mateyak (“**Mateyak**”), Gregory J. Curry (“**Greg Curry**”), AHST Ontario, AHST Nevada, BFM Industries Inc. (“**BFM**”), Liquid Gold International Corp. (aka Liquid Gold International Inc.) (“**Liquid Gold**”) and Nanotech Industries Inc. (“**Nanotech**”).

[3] On April 1, 2011, the Commission issued a temporary cease trade order (the “**Temporary Order**”) against AHST Ontario, AHST Nevada, BFM, Winick, McCarthy, Curry, Mateyak and a company named Denver Gardner Inc. (“**Denver Gardner**”). The Temporary Order was amended and extended from time to time. On March 23, 2012, the Commission ordered that Denver Gardner be removed as a respondent in the matter and that the Temporary Order, as amended, be extended until the conclusion of the hearing on the merits. On October 29, 2012, the Temporary Order was amended to allow for a personal carve-out for McCarthy to sell the securities in her Registered Retirement Savings Plan (as defined in the *Income Tax Act* (Canada)) with the Independent Planning Group.

[4] On March 23, 2012, the Commission scheduled the dates for the hearing on the merits in the matter, commencing on November 12, 2012. On October 17, 2012, the Commission ordered, pursuant to Rule 11.5 of the Commission’s *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the “**Rules of Procedure**”), that the hearing on the merits would proceed as a written hearing. On November 2, 2012, Staff filed an Amended Statement of Allegations and the Commission issued an Amended Notice of Hearing on the same day.

[5] On January 21, 2013, on consent of Staff and counsel for McCarthy, BFM and Liquid Gold, the Commission granted Staff’s application to sever the matter, as against McCarthy, BFM and Liquid Gold (the “**McCarthy Respondents**”), and the matter was adjourned to a date to be fixed by the Office of the Secretary of the Commission in consultation with counsel.

[6] On April 12, 2013, on consent of Staff and counsel for Curry, Mateyak and AHST Ontario, the written hearing on the merits was converted to an oral hearing, pursuant to Rule 11.5 of the *Rules of Procedure*.

[7] On May 15, 2013, Staff appeared and counsel for Curry, Mateyak, AHST Ontario and AHST Nevada appeared and advised the Panel that an Agreed Statement of Facts (the “**Agreed Facts**”) had been reached for the Respondents.

[8] On May 16, 2013, on the request of Staff and counsel for Curry, Mateyak and AHST Ontario, the Commission ordered that the hearing as against the Respondents be severed from the main proceeding in the matter and scheduled a sanctions and costs hearing for the Respondents on August 27, 2013. After reading the Agreed Facts, the Panel found that:

1. from May of 2009 through August of 2010, Kolt Curry, AHST Ontario and AHST Nevada traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so in circumstances in which no exemption was available, contrary to s. 25(1)(a) of the *Act*, as that section existed at the time the conduct commenced, and contrary to s. 25(1) of the *Act*, as subsequently amended on September 28, 2009;
2. from May of 2009 through August of 2010, Kolt Curry, AHST Ontario and AHST Nevada distributed securities of Nanotech without a preliminary prospectus and prospectus having been filed and receipts having been issued for them by the Director and without an exemption from the prospectus requirement contrary to section 53(1) of the *Act*;
3. from September 28, 2009 through August of 2010, Kolt Curry, AHST Ontario and AHST Nevada made statements that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading or advising relationship with Kolt Curry, AHST Ontario or AHST Nevada that were untrue or omitted information necessary to prevent the statements from being false or misleading in the circumstances in which they were made, contrary to section 44(2) of the *Act*;
4. Mateyak, being a director and officer of AHST Ontario, did authorize, permit or acquiesce in the commission of the violations of sections 25, 53 and 44(2) of the *Act*, as set out above, by the AHST Companies or by the employees, agents or representatives of the AHST Companies, contrary to section 129.2 of the *Act* and contrary to the public interest;
5. Kolt Curry, being a directing mind and *de facto* director and officer of AHST Ontario, and a director and officer of AHST Nevada, did authorize, permit or acquiesce in the commission of the violations of sections 25, 53 and 44(2) of the *Act*, as set out above, by the AHST Companies or by the

employees, agents or representatives of the AHST Companies, contrary to section 129.2 of the *Act* and contrary to the public interest; and

6. the conduct of Kolt Curry, Mateyak, AHST Ontario and AHST Nevada contravened Ontario securities law and is contrary to the public interest.

(*Re Sandy Winick et al.* (2013), 36 O.S.C.B. 5508)

[9] On August 7, 2013, the Commission issued its reasons and decision with respect to the hearing on the merits of Winick and Greg Curry (*Re Winick* (2013), 36 O.S.C.B. 8202). The Commission issued an accompanying order on the same day, which scheduled the sanctions and costs hearing and the filing of submissions with respect to these two respondents, and extended the Temporary Order against Winick until the conclusion of the proceeding (*Re Winick* (2013), 36 O.S.C.B. 8192).

[10] On August 26, 2013, after informing Staff and counsel for the Respondents that the Commission was no longer available to hold a hearing on August 27, 2013, the Commission ordered that the sanctions and costs hearing for the Respondents take place on September 12, 2013.

[11] Counsel for the Respondents filed a motion, pursuant to Rules 3 and 9 of the *Rules of Procedure*, to adjourn the sanctions and costs hearing scheduled for September 12, 2013 (the “**Adjournment Motion**”). On September 12, 2013, Staff and counsel for the Respondents appeared and made submissions on the Adjournment Motion. Staff also requested that the Notice of Hearing be amended to include a request for an order under section 37 of the *Act*, which was consented to by counsel for the Respondents. On September 12, 2013, the Commission ordered that the matter be adjourned and take place on October 10, 2013 and ordered that Staff may file an Amended Notice of Hearing that includes a request for an order under section 37 of the *Act*.

[12] On September 26, 2013, the Commission issued a Notice of Hearing With Respect to Sanctions, which included notice that the Commission would consider an order under subsection 37(1) of the *Act* at the sanctions and costs hearing.

[13] On October 10, 2013, Staff and counsel for the Respondents appeared and made submissions on sanctions and costs before the Commission (the “**Sanctions and Costs Hearing**”).

[14] These reasons and decision on sanctions and costs include my findings with respect to the Respondents, being Curry, Mateyak, AHST Ontario and AHST Nevada.

II. BACKGROUND – THE AGREED STATEMENT OF FACTS

[15] The background facts stated in this section are taken from the Agreed Facts for the Respondents. The Respondents in this matter were involved with a scheme (the “**Nanotech Letter Scheme**”) that took place from May 2009 through August 2010 (the “**Material Time**”).

A. Kolt Curry

[16] Curry incorporated AHST Nevada in November 2004 at Winick's suggestion. Curry was a director, the secretary and the treasurer of AHST Nevada from the date of its incorporation until the present. Curry was initially also the president of AHST Nevada. AHST Nevada registered with the United States Securities Exchange Commission (the "SEC") as a transfer agent in December 2004. The Nevada Secretary of State has listed AHST Nevada's corporate status as "inactive" since March 2009 (Agreed Facts, above at para. 19). Curry is married to Mateyak and, until the fall of 2009, he lived with her in Ontario.

[17] Curry incorporated AHST Ontario in February 2005 and was the president, secretary and general manager of the company until November 2006, when he appointed Mateyak to replace him. Curry was the directing mind and *de facto* director and officer of AHST Ontario during the Material Time.

[18] Following the date of its incorporation, AHST Ontario continued to make annual filings with the SEC under the registration number granted to AHST Nevada. The AHST Companies provided transfer agency services for approximately 20 companies whose securities traded on the Over-the-Counter Bulletin Board and Pink Sheets. These services included maintaining shareholder registers for clients and arranging for the transfer of stock certificates. The transfer agency business was given to Curry by Winick.

[19] Mateyak attended at a branch of HSBC Bank with Curry and McCarthy, signed documents appointing herself as signing authority on accounts registered to AHST Ontario and held herself out as "director", "administrative officer" and "chairman of the board" of AHST Ontario, which were offices she did not hold (Agreed Facts, above at para. 22).

[20] McCarthy was Winick's girlfriend during the Material Time and lived with him at a home in Stoney Creek, Ontario. When Curry left Canada and temporarily moved to Thailand in the fall of 2009, he moved the corporate records of AHST Ontario to the basement of the home shared by Winick and McCarthy.

B. Nanotech Industries Inc.

[21] Nanotech is a company incorporated under the laws of the State of Wyoming with its head office in Bangkok, Thailand. Since March 14, 2009, the Secretary of State of Wyoming has formally listed Nanotech as an inactive corporation. During the Material Time, Nanotech held itself out as a company engaged in natural resource development in oil, gas and precious metals. The Respondents did not confirm whether Nanotech ever operated in a business or had any assets during the Material Time. In 2006, the AHST Companies began acting as Nanotech's transfer agent at the request of Winick. Shortly after taking over the transfer agent services for Nanotech, Winick advised Curry that Nanotech had an unpaid dividend and wished to pay that dividend in shares and share purchase warrants.

[22] During the Material Time, Curry and the AHST Companies made the necessary stock certificates and arranged for their printing. The stock certificates were sent out to a list of

recipients provided by Winick under the cover of a letter from the AHST Companies (the “**Nanotech Letter**”). Curry and the AHST Companies, with the assistance of McCarthy, printed the stock certificates and sent letters from Ontario to over 10,000 addresses in Europe, Asia, Africa and Australia. Winick drafted the Nanotech Letter and provided it to Curry in near completed form. Curry and the president of AHST Nevada at the time filled in certain missing information, including the names and addresses of the shareholders provided by Winick, and sent out the letter.

[23] The Nanotech Letter invited shareholders to complete and sign warrant certificates, which would entitle the recipient of the letter to convert the warrants into 25,000 common shares of Nanotech for \$68,750. The letter stated that at the time it was written, the shares of Nanotech were trading at \$4.93, suggesting an investor could realize an immediate and substantial profit. Neither Curry nor the AHST Companies ever conducted an independent inquiry to determine the accuracy of the statement that a dividend had been declared, but unpaid, by Nanotech.

C. Laura Mateyak

[24] Staff did not allege that Mateyak was involved in sending out the Nanotech Letter. However, Mateyak allowed herself to be placed on record as an officer and bank signing authority of AHST Ontario, although she knew she was taking those responsibilities as a nominee. She deferred any decisions to Curry, who was the *de facto* director and officer of the company.

D. Results of the Nanotech Letter Scheme

[25] Although the Nanotech Letter contemplated that Nanotech shareholders would pay the AHST Companies directly on behalf of Nanotech for any warrants they wished to exercise, the AHST Companies never accepted any payment. The AHST Companies and Curry made it clear to those who inquired about the investment, that the AHST Companies were strictly a transfer agent and would not provide any advice, execute any trades or receive any money on behalf of Nanotech. None of the AHST Companies, Curry or Mateyak received any money from any of the persons to whom the Nanotech Letter was addressed and sent to.

III. THE PARTIES’ SUBMISSIONS

[26] Staff seeks sanctions and costs as follows:

1. an order pursuant to clause 2 of subsection 127(1) of the *Act* that trading in any securities by Kolt Curry, AHST Nevada and AHST Ontario cease permanently;
2. an order pursuant to clause 2 of subsection 127(1) of the *Act* that trading in any securities by Mateyak cease for a period of five years;
3. an order pursuant to clause 2.1 of subsection 127(1) of the *Act* that the acquisition of any securities by Kolt Curry, AHST Nevada and AHST Ontario is prohibited permanently;

4. an order pursuant to clause 2.1 of subsection 127(1) of the *Act* that the acquisition of any securities by Mateyak is prohibited for a period of five years;
5. an order pursuant to clause 3 of subsection 127(1) of the *Act* that any exemptions contained in Ontario securities law do not apply to Kolt Curry, AHST Nevada and AHST Ontario permanently;
6. an order pursuant to clause 3 of subsection 127(1) of the *Act* that any exemptions contained in Ontario securities law do not apply to Mateyak for a period of five years;
7. an order pursuant to clause 7 of subsection 127(1) of the *Act* that Kolt Curry and Mateyak resign any position that they hold as a director or officer of an issuer;
8. an order pursuant to clause 8 of subsection 127(1) of the *Act* that Kolt Curry be prohibited permanently from becoming or acting as a director or officer of any issuer;
9. an order pursuant to clause 8 of subsection 127(1) of the *Act* that Mateyak be prohibited for a period of five years from becoming or acting as a director or officer of any issuer;
10. an order pursuant to clause 8.2 of subsection 127(1) of the *Act* that Kolt Curry be prohibited permanently from becoming or acting as a director or officer of a registrant;
11. an order pursuant to clause 8.2 of subsection 127(1) of the *Act* that Mateyak be prohibited for a period of five years from becoming or acting as a director or officer of a registrant;
12. an order pursuant to clause 8.4 of subsection 127(1) of the *Act* that Kolt Curry be prohibited permanently from becoming or acting as a director or officer of an investment fund manager;
13. an order pursuant to clause 8.4 of subsection 127(1) of the *Act* that Mateyak be prohibited for a period of five years from becoming or acting as a director or officer of an investment fund manager;
14. an order pursuant to clause 8.5 of subsection 127(1) of the *Act* that Kolt Curry be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;
15. an order pursuant to clause 8.5 of subsection 127(1) of the *Act* that Mateyak be prohibited for a period of five years from becoming or acting as a registrant, as an investment fund manager or as a promoter;

16. an order pursuant to section 37 of the *Act* that Kolt Curry be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities;
17. an order pursuant to section 37 of the *Act* that Mateyak be prohibited for a period of five years from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities;
18. an order pursuant to clause 6 of subsection 127(1) of the *Act* that the Respondents are thereby reprimanded;
19. an order pursuant to clause 9 of subsection 127(1) of the *Act* that Kolt Curry, AHST Nevada and AHST Ontario pay an administrative penalty of \$100,000 for which they shall be jointly and severally liable, to be designated for the allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the *Act*;
20. an order pursuant to clause 9 of subsection 127(1) of the *Act* that Mateyak pay an administrative penalty of \$20,000 to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the *Act*; and
21. an order pursuant to subsection 127.1 of the *Act* that Kolt Curry, AHST Nevada, AHST Ontario and Mateyak pay \$60,000, for costs of the hearing, for which they shall be jointly and severally liable with any amount ordered to be paid by Sandy Winick in this matter.

[27] Counsel for the Respondents submit that the offences of the AHST Companies are not serious nor egregious, and that they effectively amount to a failure to carry out sufficient and appropriate due diligence to ensure that the Nanotech Letter that Winick drafted was accurate in all material respects. Counsel submits that a lifetime trading ban against Curry sends a very strong deterrent message. Moreover, in her written submissions, Mateyak submits that the five-year trading sanctions requested by Staff are sufficient to accomplish the Commission's sanctioning objectives, including deterring others from similar conduct. The Respondents take no issue with respect to the non-monetary sanctions requested by Staff. However, counsel for the Respondents submits that the administrative penalties requested by Staff are excessive, and more appropriate penalties would be in the range of \$20,000 for Curry and \$2,500 for Mateyak. Counsel also submits that a costs order of \$15,000 would be appropriate against Curry, and that no costs order is appropriate with respect to Mateyak.

IV. THE LAW

[28] The Commission's mandate, set out in section 1.1 of the *Act*, is to (i) provide protection to investors from unfair, improper or fraudulent practices; and (ii) foster fair and efficient capital markets and confidence in capital markets.

[29] In making an order in the public interest under section 127 of the *Act*, the Commission's jurisdiction should be exercised in a protective and preventative manner. The Commission's purpose in making such orders was expressed by the Commission in *Re Mithras Management Ltd.*:

...the role of this Commission is to protect the public interest by removing from the capital markets -- wholly or partially, permanently or temporarily, as the circumstances may warrant -- those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts... We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be...

(Re Mithras Management Ltd. (1990), 13 O.S.C.B. 1600 at 1610-1611)

[30] This view was endorsed by the Supreme Court of Canada, which described the Commission's public interest jurisdiction as follows:

...the purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the [Commission] under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.

(Re Committee for the Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission), 2001 SCC 37 at para. 43)

[31] The Commission has previously considered the following as factors that the Commission should consider when imposing sanctions:

1. the seriousness of the allegations proved;
2. the respondents' experience in the marketplace;
3. the level of a respondent's activity in the marketplace;
4. whether or not there has been a recognition of the seriousness of the improprieties;
5. whether or not the sanctions imposed may serve to deter not only those involved in the case being considered, but any like-minded people from engaging in similar abuses of the capital markets;
6. whether the violations are isolated or recurrent;

7. the size of any profit (or loss) avoided from the illegal conduct;
8. the size of any financial sanction or voluntary payment when considering other factors;
9. the effect any sanction might have on the livelihood of the respondent;
10. the restraint any sanction may have on the ability of a respondent to participate without check in the capital markets;
11. the reputation and prestige of the respondent;
12. the shame, or financial pain, that any sanction would reasonably cause to the respondent;
13. the remorse of the respondent; and
14. any mitigating factors.

(Re Belteco Holdings Inc. (1998), 21 O.S.C.B. 7743 at 7746-7747; Re M.C.J.C. Holdings Inc. (2002), 25 O.S.C.B. 1133 at 1136; Re M.C.J.C. Holdings Inc. (2003), 26 O.S.C.B. 8206 at para. 55; Erikson v. Ontario (Securities Commission), [2003] O.J. No. 593 (Div. Ct.))

[32] The Commission may also consider general and specific deterrence in crafting appropriate sanctions. The Supreme Court of Canada has held that the “weight given to general deterrence will vary from case to case and is a matter within the discretion of the Commission” (*Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672 at paras. 60 and 64).

[33] In determining the appropriate sanctions to impose upon the Respondents, I have considered the case law mentioned above and I have also considered previous decisions of the Commission, including: *Re Ahluwalia* (2013), 36 O.S.C.B. 617; *Re Axxess Automation LLC* (2013), 36 O.S.C.B. 2919; *Re Gold-Quest International* (2010), 33 O.S.C.B. 11179; *Re Limelight Entertainment Inc.* (2008), 31 O.S.C.B. 12030; *Re Ochnik* (2006), 29 O.S.C.B. 3929; *Re Rowan* (2009), 33 O.S.C.B. 91; and *Re Sabourin* (2010) 33 O.S.C.B. 5299. With regards to costs, I have also considered the factors set out in Rule 18.2 of the *Rules of Procedure*.

V. ANALYSIS

A. Kolt Curry, AHST Ontario and AHST Nevada

[34] Staff requests an administrative penalty of \$100,000 to be payable on a joint and several basis by Curry and the AHST Companies. Counsel for the Respondents request that the administrative penalty imposed on Curry should be lowered to \$20,000. I disagree.

[35] Although no investors took the bait, the possibility of widespread losses by potential investors was significant, given that the Nanotech Letter was sent to over 10,000 addresses around the world. The misconduct of Curry and the AHST Companies led to multiple breaches of the *Act* and was found to be contrary to the public interest. Curry was also instrumental in the preparation and distribution of the Nanotech Letter. I therefore find that Staff's requested administrative penalty of \$100,000 against Curry and the AHST Companies, payable on a joint and several basis, is appropriate to meet the needs of specific and general deterrence and is proportional to the circumstances of these respondents.

[36] With regards to costs, Staff highlighted a correction to its bill of costs (the "**Bill of Costs**"), which is found as an attachment to the Affidavit of Laura Fisher, sworn August 26, 2013. The Bill of Costs outlines the hearing and investigation costs with respect to three matters involving three groups of respondents: (i) the Respondents, (ii) the McCarthy Respondents and (iii) Winick and Greg Curry. At the Sanctions and Costs Hearing, Staff corrected the total value of the litigation costs with respect to the three matters from \$279,350 to \$271,025 (Transcript, October 10, 2013, p. 7, ll. 6-23). I accept that the total litigation costs for the three matters amounts to the corrected value of \$271,025.

[37] Staff submits that the Respondents should be jointly and severally liable to pay \$60,000 of the \$271,025. Counsel for the Respondents submits that a lower costs order of \$15,000 should be imposed on Curry and no costs order should be imposed on Mateyak. Counsel also notes that the Respondents have entered into the Agreed Facts, Curry attended the Commission for a voluntary interview and the Bill of Costs does not allocate any time spent in relation to Mateyak.

[38] I find that Staff properly allocated the total hearing costs related to the Respondents in this matter and discounted such amounts accordingly. The total requested amount of \$60,000 reflects the following discounts: no time is claimed relating to the investigation of this matter; no time is claimed for the time spent preparing for or drafting submissions for the Sanctions and Costs Hearing; and no claim is made for disbursements incurred throughout this matter. The time spent by students-at-law and assistants are also excluded. I find that Staff has produced a conservative calculation of costs.

[39] I order that Curry, AHST Ontario and AHST Nevada shall pay, on a joint and several basis, the amount of \$60,000 for the costs incurred in the hearing in this matter.

[40] Staff also submits that any costs order imposed on the Respondents should be ordered on a joint and several basis with any amounts payable by Winick that are ordered in a separate hearing. I do not find it appropriate to make such an order. A costs order made pursuant to section 127.1 of the *Act* is not a sanction. Its purpose is to recover the costs of a hearing or investigation from persons or companies that failed to comply with Ontario securities law or have acted contrary to the public interest. Curry was a respondent in this matter, which involved a hearing on the merits that was conducted separately from that of Winick. In these circumstances, I find that it is not appropriate to make an order that would recover the costs incurred in a separate matter.

B. Laura Mateyak

[41] Mateyak testified at the Sanctions and Costs Hearing on October 10, 2013. Mateyak is 34 years old and was born in the Philippines. When she was nine years old, she moved to Thailand, where she resided until she came to Canada at the age of 20. Mateyak has never worked in Canada. She has two children and is expecting a third child at the end of November 2013. She is married to Curry, who is currently incarcerated in Brooklyn, New York.

[42] She and her children live with her mother-in-law in Aurora, Ontario. Her mother-in-law owns the house that she lives in. She and her husband were paying rent to her mother-in-law, but now that Curry is in jail, she has been unable to pay rent and the house has been listed for sale. She has no idea where she will live if the house is sold. Mateyak has one bank account that has about \$1,200, which has been frozen by the Commission. She owes about \$13,000 on her credit card. She has no investment trading accounts, no retirement savings plans and has never traded in stocks or securities.

[43] Staff submits that Mateyak was an essential player in the Nanotech Letter Scheme and requests an administrative penalty of \$20,000. I disagree. Mateyak merely followed the instructions of her husband, as anyone would have done given her domestic circumstances. I find that a \$2,500 administrative penalty, as proposed by her counsel, is appropriate. The various five-year trading and market participation bans against Mateyak meets the needs of specific and general deterrence.

[44] With regards to costs, Mateyak did little or nothing to contribute to the costs of the hearing in this matter. I agree with counsel for the Respondents that there should be no order as to costs against Mateyak.

VI. CONCLUSION

[45] For the reasons above, I find that it is in the public interest to order the following sanctions, which are proportionate to the Respondents' conduct, reflect the seriousness of the Respondents' non-compliance with Ontario securities law and are intended to deter the Respondents and other like-minded people from engaging in similar misconduct.

[46] I will issue a separate order giving effect to my decision on sanctions and costs, as follows:

1. pursuant to clause 2 of subsection 127(1) of the *Act*, trading in any securities by Curry, AHST Ontario and AHST Nevada shall cease permanently;
2. pursuant to clause 2 of subsection 127(1) of the *Act*, trading in any securities by Mateyak shall cease for a period of five years;
3. pursuant to clause 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by Curry, AHST Ontario and AHST Nevada shall be prohibited permanently;

4. pursuant to clause 2.1 of subsection 127(1) of the *Act*, the acquisition of any securities by Mateyak shall be prohibited for a period of five years;
5. pursuant to clause 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law shall not apply to Curry, AHST Ontario and AHST Nevada permanently;
6. pursuant to clause 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law shall not apply to Mateyak for a period of five years;
7. pursuant to clause 6 of subsection 127(1) of the *Act*, Curry and Mateyak are reprimanded;
8. pursuant to clause 7 of subsection 127(1) of the *Act*, Curry and Mateyak shall resign any position that they hold as a director or officer of an issuer;
9. pursuant to clause 8 of subsection 127(1) of the *Act*, Curry shall be prohibited permanently from becoming or acting as a director or officer of any issuer;
10. pursuant to clause 8 of subsection 127(1) of the *Act*, Mateyak shall be prohibited for a period of five years from becoming or acting as a director or officer of any issuer;
11. pursuant to clause 8.5 of subsection 127(1) of the *Act*, Curry shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;
12. pursuant to clause 8.5 of subsection 127(1) of the *Act*, Mateyak shall be prohibited for a period of five years from becoming or acting as a registrant, investment fund manager or as a promoter;
13. pursuant to clause 9 of subsection 127(1) of the *Act*, Curry, AHST Ontario and AHST Nevada shall pay, on a joint and several basis, an administrative penalty of \$100,000 for their 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*;
14. pursuant to clause 9 of subsection 127(1) of the *Act*, Mateyak shall pay an administrative penalty of \$2,500 for her 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*;
15. pursuant to subsection 127.1 of the *Act*, Curry, AHST Ontario and AHST Nevada shall pay, on a joint and several basis, \$60,000 for the costs incurred in the hearing of this matter;

16. pursuant to subsection 37(1) of the *Act*, Curry shall be prohibited permanently from telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities; and
17. pursuant to subsection 37(1) of the *Act*, Mateyak shall be prohibited for a period of five years from telephoning from a location in Ontario to any residence located in or out of Ontario for the purpose of trading in any security or in any class of securities.

DATED at Toronto this 20th day of December, 2013.

“James D. Carnwath”

James D. Carnwath, Q.C.