



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

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

- AND -

**IN THE MATTER OF GARTH H. DRABINSKY,
MYRON I. GOTTLIEB AND GORDON ECKSTEIN**

- AND -

**IN THE MATTER OF A SETTLEMENT AGREEMENT BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION AND MYRON I. GOTTLIEB**

**ORDER
(Subsections 127(1) and 127(10))**

WHEREAS on July 3, 2001, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in relation to a Statement of Allegations filed by Staff of the Commission (“Staff”) with respect to Garth H. Drabinsky (“Drabinsky”), Myron I. Gottlieb (“Gottlieb”), Gordon Eckstein (“Eckstein”), Robert Topol (“Topol”), and Livent Inc. (“Livent”);

AND WHEREAS on February 1, 2002, Gottlieb gave an interim undertaking to the Director of Enforcement of the Commission (the “Director”) that pending the conclusion of the Commission proceeding, he would not apply to become a registrant or an employee of a registrant, or an officer or director of a reporting issuer without the express written consent of the Director or an order of the Commission releasing him from the undertaking, as described in the Order of the Commission made on February 22, 2002;

AND WHEREAS on October 22, 2002, the Royal Canadian Mounted Police initiated a criminal proceeding against Drabinsky, Gottlieb, Eckstein and Topol for multiple counts of criminal fraud in relation to their conduct as directors and officers of Livent (the “Criminal Proceeding”);

AND WHEREAS by Order dated November 15, 2002, the Commission adjourned the hearing *sine die* pending the conclusion of the Criminal Proceeding, or until such further order as might be made by the Commission;

AND WHEREAS on March 25, 2009, Drabinsky and Gottlieb were found guilty in the Criminal Proceeding of two counts of criminal fraud over \$5000 and one count of forgery;

AND WHEREAS Drabinsky and Gottlieb appealed their convictions in the Criminal Proceeding to the Ontario Court of Appeal and their convictions were upheld on September 13, 2011;

AND WHEREAS the Supreme Court of Canada dismissed an application brought by Drabinsky to appeal the ruling of the Ontario Court of Appeal on March 29, 2012;

AND WHEREAS on February 19, 2013, Staff filed an Amended Statement of Allegations against Drabinsky, Gottlieb, and Eckstein;

AND WHEREAS on February 20, 2013, Staff withdrew its allegations against Livent and Topol;

AND WHEREAS on March 8, 2013, pursuant to conditions of his parole, Gottlieb was prohibited from, among other things, owning or operating a business or being in a position of responsibility for the management of finances or investments for any other individual, charity, business or institution until September 10, 2015;

AND WHEREAS on August 22, 2014, Gottlieb entered into a Settlement Agreement with Staff (the “Settlement Agreement”), subject to the approval of the Commission;

AND WHEREAS on September 09, 2014, the Commission held a hearing to consider whether to approve the Settlement Agreement, and the Commission heard submissions from counsel for Staff and counsel for Gottlieb;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order pursuant to subsection 127(1) of the Act;

IT IS HEREBY ORDERED THAT:

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 2 of subsection 127(1) of the Act, Gottlieb is prohibited from trading in securities for a period of 15 years, effective the date of the approval of the Settlement Agreement, subject to a carve-out to allow him to trade securities for the account of any Registered Retirement Savings Plan (“RRSP”) and/or any Registered Retirement Income Fund (“RRIF”) (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership, provided that:
 - i. the securities traded are listed and posted for trading on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, or NASDAQ (or their successor exchanges), or are issued by a mutual fund that is a reporting issuer or are debt securities;
 - ii. he does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question; and
 - iii. he carries out any permitted trading through a registered dealer (which dealer must be given a copy of this order) and through accounts opened in his name only;

- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, Gottlieb is prohibited from the acquisition of securities for a period of 15 years, effective the date of the Order of the Commission, subject to a carve-out to allow him to acquire securities for the account of any Registered Retirement Savings Plan (“RRSP”) and/or any Registered Retirement Income Fund (“RRIF”) (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership, provided that:
- i. the securities acquired are listed and posted for trading on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, or NASDAQ (or their successor exchanges), or are issued by a mutual fund that is a reporting issuer or are debt securities;
 - ii. he does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question; and
 - iii. he carries out any permitted acquisition through a registered dealer (which dealer must be given a copy of this order) and through accounts opened in his name only;
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law will not apply to Gottlieb;
- (e) pursuant to clause 8 of subsection 127(1) of the Act, Gottlieb is permanently prohibited from becoming or acting as a director or officer of an issuer;
- (f) pursuant to clause 8.2 of subsection 127(1) of the Act, Gottlieb is permanently prohibited from becoming or acting as a director or officer of a registrant;
- (g) pursuant to clause 8.4 of subsection 127(1) of the Act, Gottlieb is permanently prohibited from becoming or acting as a director or officer of an investment fund manager; and

- (h) pursuant to clause 8.5 of subsection 127(1) of the Act, Gottlieb is permanently prohibited from becoming or acting as a registrant, an investment fund manager, or as a promoter of any issuer.

DATED at Toronto this 9th day of September, 2014.

“Alan Lenczner”
