



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
HOWARD RASH**

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

Staff of the Ontario Securities Commission make the following allegations:

The Cease Trade Order

1. On June 9, 2005, the Commission made a temporary order requiring that Momentas Corporation, Howard Rash (“Rash”), Alexander Funt (“Funt”) and Suzanne Morrison (“Morrison”) cease trading in securities of Momentas Corporation (the “Temporary Order”).
2. On June 24, 2005, the Commission issued proceedings pursuant to section 127 of the *Securities Act* with respect to the sale of securities of Momentas Corporation (the “Section 127 Proceeding”) and extended the Temporary Order on consent of the parties until July 8, 2005.
3. On July 8, 2005, the Commission ordered, subject to certain limited exceptions, that Rash, Funt and Morrison cease trading in any securities pending the outcome of the Section 127 Proceeding (the “Cease Trade Order”).
4. One of the exceptions to the Cease Trade Order was that Rash, Funt and Morrison be permitted to trade in securities for his or her own account(s) through a registered dealer pursuant to paragraph 10 of subsection 35(1) of the *Securities Act*.

Breach of the Cease Trade Order

5. On July 4 and 5, 2006, Rash gave instructions to sell shares of Genoil Inc. (“Genoil”) and Agau Resources Inc. (“Agau”) in a corporate account held at Dundee Securities (“Dundee”) in the name of Panterra Offshore Financial Services (“Panterra”), an account over which Rash had sole trading authority (the “Panterra Account”). At the time of the trading, Rash was the sole officer and director and sole shareholder of Panterra.
6. Panterra is a corporation incorporated pursuant to the laws of Ontario which describes itself as a “full service offshore provider (operating both offshore and onshore)”. Panterra provides advice to clients relating to, among other things, the protection of assets from seizure, the sheltering of capital gains and the minimization of domestic tax through the provision of professional services such as offshore banking and the formation of offshore corporations or trusts.
7. Upon becoming aware of the Cease Trade Order, Dundee advised Rash that it was prohibited from releasing the funds from the trades described above on the basis of the Cease Trade Order. Rash then transferred trading authority to his spouse and, further, advised Dundee (through counsel) that he would be seeking to have the account transferred to another investment dealer if Dundee would not release the funds to him via his spouse.

Breach of Ontario Securities Law and Conduct Contrary to the Public Interest

8. The trading by Rash in the Panterra Account was in breach of the Cease Trade Order. His conduct was in contravention of Ontario securities law and was contrary to the public interest.
9. Staff reserve the right to make such further and other allegations as Staff may submit and the Commission may permit.

DATED AT TORONTO this 19 day of July, 2006