

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

- and -

**BOREALIS INTERNATIONAL INC., SYNERGY GROUP (2000) INC.,
INTEGRATED BUSINESS CONCEPTS INC., CANAVISTA CORPORATE
SERVICES INC., CANAVISTA FINANCIAL CENTER INC.,
SHANE SMITH, ANDREW LLOYD, PAUL LLOYD,
VINCE VILLANTI, LARRY HALIDAY, JEAN BREAU,
JOY STATHAM, DAVID PRENTICE, LEN ZIELKE,
JOHN STEPHAN, RAY MURPHY, ALEXANDER POOLE,
DEREK GRIGOR, EARL SWITENKY,
MICHELLE DICKERSON, DEREK DUPONT,
BARTOSZ EKIERT, ROSS MACFARLANE, BRIAN NERDAHL,
HUGO PITTOORS and LARRY TRAVIS**

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

Staff of the Ontario Securities Commission (the “Commission”) make the following allegations:

Corporate Respondents

1. Borealis International Inc. (“Borealis”) is an Ontario company which was incorporated on February 16, 2007. Borealis is not a reporting issuer and has never been registered with the Commission.
2. Synergy Group (2000) Inc. (“Synergy”) is an Ontario company which was incorporated on June 15, 2004. Synergy is not a reporting issuer and has never been registered with the Commission.

3. Integrated Business Concepts Inc. (“IBC”) is an Ontario company which was incorporated on June 14, 1994. IBC is not a reporting issuer and has never been registered with the Commission.
4. Borealis, Synergy and IBC share the same registered address: 235 Yorkland Boulevard, Suite 202, North York, Ontario.
5. Canavista Corporate Services Inc. (“Canavista Corporate”) is an Ontario company which was incorporated on September 1, 2005. Canavista Corporate is not a reporting issuer and has never been registered with the Commission.
6. Canavista Financial Center Inc. (“Canavista Financial”) is an Ontario company which was incorporated on July 31, 1996. Canavista Financial is not a reporting issuer and has never been registered with the Commission.
7. Canavista Corporate and Canavista Financial share the same registered address: 311 George Street North, Peterborough, Ontario. Borealis and Synergy also have offices at this address.

Individual Respondents

8. Shane Smith (“Smith”) is a resident of Peterborough, Ontario. Smith is not currently registered with the Commission.
9. Smith is a respondent in a pending Commission proceeding (the “Sabourin Proceeding”). Smith is subject to a cease trade order which was issued by the Commission on December 7, 2006 and extended by further orders of the Commission on December 20, 2006 , June 14, 2007 and April 7, 2008 (the “Sabourin Cease Trade Order”).
10. Smith holds himself out as the President of Borealis and of Synergy.
11. Andrew Lloyd (“Lloyd”) is a resident of Peterborough, Ontario. Lloyd is not currently registered with the Commission.
12. Lloyd is a respondent in the Sabourin Proceeding and is subject to the Sabourin Cease Trade Order.

13. Lloyd acts as Synergy's Regional Manager GTA and Central Ontario and as the Regional Manager and Regional Contact for Borealis in Central and North Ontario. Lloyd is also a director of Canavista Corporate and the Vice-President and a director of Canavista Financial.
14. Paul Lloyd is Lloyd's father and is a resident of Peterborough, Ontario. Paul Lloyd is a director of Canavista Corporate and the President and a director of Canavista Financial. Paul Lloyd is not currently registered with the Commission.
15. Vince Villanti ("Villanti") is a resident of Whitby, Ontario. Villanti is the President and a director of Borealis, and the Executive Director and a director of IBC. Villanti has never been registered with the Commission.
16. Larry Haliday ("Haliday") is a resident of Richmond Hill, Ontario. Haliday is a director of IBC. Haliday has never been registered with the Commission.
17. Jean Breau ("Breau") is a resident of Whitby, Ontario. Breau is the President and a director of Synergy. Breau has never been registered with the Commission.
18. Joy Statham ("Statham") is a resident of Ottawa, Ontario. Statham is not currently registered with the Commission.
19. David Prentice ("Prentice") is a resident of Mississauga, Ontario. Prentice holds himself out as the Executive Vice-President of Synergy. Prentice has never been registered with the Commission.
20. Len Zielke ("Zielke") is a resident of Richmond, British Columbia. Zielke holds himself out as Synergy's Regional Manager and Regional Contact for British Columbia, Alberta and Saskatchewan. Zielke has never been registered with the Commission.
21. John Stephan ("Stephan") is a resident of London, Ontario. Stephan holds himself out as Synergy's Regional Manager for Western and South-Western Ontario and the Borealis Regional Contact for Western Ontario. Stephan is not currently registered with the Commission.

22. Ray Murphy (“Murphy”) is a resident of Kingston, Ontario. Murphy holds himself out as Synergy’s Regional Manager for Eastern Ontario, Quebec and the Maritimes and as Borealis’ Regional Contact for Quebec, Maritimes, Manitoba and Eastern Ontario. Murphy is not currently registered with the Commission.
23. Alexander Poole (“Poole”) is a resident of Waterloo, Ontario and is currently registered with the Commission as a salesperson in the categories of mutual fund dealer and limited market dealer.
24. Derek Grigor (“Grigor”) is a resident of Okotoks, Alberta. Grigor has never been registered with the Commission.
25. Earl Switenky (“Switenky”) is a resident of Kelowna, British Columbia. Switenky has never been registered with the Commission.
26. Michelle Dickerson (“Dickerson”) is a resident of Napanee, Ontario. Dickerson has never been registered with the Commission.
27. Derek Dupont (“Dupont”) is a resident of Nepean, Ontario. Dupont is not currently registered with the Commission.
28. Bartosz Ekiert (“Ekiert”) is a resident of Kitchener, Ontario. Ekiert has never been registered with the Commission.
29. Ross Macfarlane (“Macfarlane”) is a resident of Powell River, British Columbia. Macfarlane has never been registered with the Commission.
30. Brian Nerdahl (“Nerdahl”) is a resident of Elmira, Ontario. Nerdahl is not currently registered with the Commission.
31. Hugo Pittoors (“Pittoors”) is a resident of Calgary, Alberta. Pittoors has never been registered with the Commission.
32. Larry Travis (“Travis”) is a resident of Chatham, Ontario. Travis has never been registered with the Commission.

Borealis Guaranteed Return Investment Certificate

33. Borealis and Synergy representatives and associates promote and sell an investment called the Borealis Guaranteed Return Investment Certificate (“Borealis GRIC”). The Borealis GRIC is a form of prime bank investment scheme. The Borealis GRIC is described in promotional material as a “bank-guaranteed product” which requires a minimum initial investment of \$150,000 with minimum additional investments of \$25,000. Investors are promised fixed returns of 10 to 18 percent. The Borealis GRIC is purportedly “locked in” for 24 months.
34. The respondents’ Borealis GRIC sales approach includes making representations and providing information to investors which are false, inaccurate and misleading, including that:
- (a) the Borealis GRIC was developed by Synergy and is promoted as the product of a “proprietary strategic alliance” with Borealis, Atlantic Trust Co. (“Atlantic Trust”) and The Laiki Group;
 - (b) the Borealis GRIC is regulated by the Financial Consumer Agency of Canada (“FCAC”) and the “Bank Act”;
 - (c) the “first \$100,000” of a Borealis GRIC is “protected” by Canada Deposit Insurance Corporation (“CDIC”); and
 - (d) Borealis has purchased the Croatian (Toronto) Credit Union Limited.
35. IBC is described as a recipient of funds from Atlantic Trust. Atlantic Trust and The Laiki Group are not participants in the Borealis GRIC, and have no arrangements with Borealis, Synergy nor any other of the respondents. References to Atlantic Trust, The Laiki Group, FCAC, the Bank Act and CDIC are part of an effort by the respondents to give the appearance of legitimacy to the scheme described herein.

Scope of Activity

36. Smith, Lloyd and Paul Lloyd have each promoted, and sold or attempted to sell, the Borealis GRIC personally and through representatives and associates. To this end, Smith, Lloyd and Paul Lloyd are variously acting with and through Borealis, Synergy, Canavista Corporate, Canavista Financial and/or IBC.
37. Statham, Prentice, Zielke, Stephan, Murphy, Poole, Grigor, Switenky, Dickerson, Dupont, Ekiert, Macfarlane, Nerdahl, Pittoors and Travis have each promoted, and sold or attempted to sell, the Borealis GRIC.
38. Villanti, Haliday and Breau, through their respective positions with Borealis, Synergy and IBC, have authorized, permitted or acquiesced in the unlawful conduct described herein.
39. The respondents' activity has resulted in sales of the Borealis GRIC in excess of \$16 million.

Investment Contracts

40. The Borealis GRIC is an “investment contract” and therefore a “security” as defined in section 1(1)(n) of the Ontario *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”).

Alberta Securities Commission Proceeding

41. Synergy, Borealis, Zielke, Prentice, Smith, Grigor and Switenky are respondents in a proceeding issued by the Alberta Securities Commission and are subject to a cease trade order, which is in place until a hearing is concluded and a decision rendered, or until otherwise ordered.

Borealis Cease Trade Order

42. On November 15, 2007, the Commission ordered that all trading in securities of the respondents, with the exception of Poole, cease, that trading in securities by the respondents, with the exception of Poole, cease, and that any exemptions contained in Ontario securities law did not apply to the respondents, with the exception of Poole. The

Order also provided for the imposition of terms and conditions on Poole's registration (the "Borealis Cease Trade Order"). The Borealis Cease Trade Order was continued by orders of the Commission on November 28, 2007 and January 11, 2008.

Breach of Cease Trade Orders

43. Through their activity described herein, Smith and Lloyd have breached the Sabourin Cease Trade Order.
44. After November 15, 2007, each of Smith, Lloyd and Poole traded in securities, and accordingly, each has breached the Borealis Cease Trade Order.

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

45. The activities of the respondents constitute trading in securities without registration in respect of which no exemption was available, contrary to section 25 of the Act.
46. The activities of the respondents constitute distributions of securities for which no preliminary prospectus and prospectus were issued nor receipted by the Director, contrary to section 53 of the Act.
47. Each of the individuals who are directors and officers of the corporate respondents, including *de facto* directors and officers of the corporate respondents, have authorized, permitted or acquiesced in the corporate respondents' non-compliance with Ontario securities law, and accordingly, failed to comply with Ontario securities law contrary to section 129.2 of the Act.
48. Each of the respondents has directly or indirectly engaged or participated in an act, practice or course of conduct relating to securities which he, she or it knows, or reasonably ought to know, has perpetrated a fraud on investors in the Borealis GRIC, contrary to section 126.1 of the Act.
49. The respondents' conduct is contrary to the public interest and harmful to the integrity of the Ontario capital markets.

DATED AT TORONTO this 22nd day of May, 2008.