



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19e 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 AGORACOM INVESTOR RELATIONS CORP.,  
AGORA INTERNATIONAL ENTERPRISES CORP., GEORGE TSIOLIS and  
APOSTOLIS KONDAKOS (a.k.a. PAUL KONDAKOS)**

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

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

**I. OVERVIEW**

1. This proceeding relates to fraudulent on-line posting activity by Agoracom Investor Relations Corp. (“AIRC”) and Agora International Enterprises Corp. (“AIEC”) (collectively “Agoracom”), an on-line investment relations firm, and its management, George Tsiolis (“Tsiolis”) and Apostolis Kondakos, a.k.a. Paul Kondakos (“Kondakos”) (collectively the “Respondents”) in breach of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”) and in a manner that was contrary to the public interest.
2. Staff allege that the Respondents’ course of conduct spanned from at least September 1, 2006 to July 31, 2009 (the “Material Time”).

## **II. THE RESPONDENTS**

### **A. The Corporate Respondents**

3. None of the corporate respondents were registered with the Commission in any capacity during the Material Time.

4. AIRC is an Ontario company incorporated on February 12, 2007. AIRC employs Agoracom representatives and contracts with clients to provide investor relations services.

5. AIEC is an Ontario company incorporated on April 23, 1997. Revenue from Agoracom gets reported to AIEC.

6. Together, AIRC and AIEC carry on business in Toronto, Ontario as “Agoracom” and perform the business of an online investor relations firm for public companies whose securities are publicly listed in Canada.

### **B. The Individual Respondents**

7. Tsiolis is a resident of Toronto, Ontario and is the founder and a directing mind of Agoracom. Tsiolis is the sole director of AIEC, one of two directors of AIRC and is the registrant for the domain name “agoracom.com”.

8. Tsiolis was registered as an officer & director (trading) and shareholder, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Tsiolis has been registered as a dealing representative and approved as a permitted individual (officer, director and shareholder), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009.

9. Kondakos is a resident of Toronto, Ontario and is the other directing mind of Agoracom. Kondakos is an officer of AIRC.

10. Kondakos was registered as officer & director (trading) and approved as designated compliance officer, under the category of limited market dealer with Agoracom Capital Inc. from July 2, 2008 to September 28, 2009. Kondakos has been registered as a dealing

representative and approved as a permitted individual (officer & director), under the category of exempt market dealer with Agoracom Capital Inc. since September 28, 2009. Kondakos has also been registered as ultimate designated person and chief compliance officer, under the category of exempt market dealer with Agoracom Capital Inc. since December 29, 2009.

### **III. FRAUDULENT POSTINGS BY AGORACOM MANAGEMENT AND REPRESENTATIVES**

11. According to their website ([www.agoracom.com](http://www.agoracom.com)), Agoracom “caters to the IR and marketing needs of small and micro cap public companies trading on the TSX [and] TSX Venture...”. Agoracom offers pricing models for its clients which incorporate a monthly fee and stock options equalling the greater of 250,000 shares or 0.5% of a company’s fully diluted outstanding share total at current prices.

12. Agoracom’s online content includes webcasts, podcasts, and blogs. Perusal of [www.agoracom.com](http://www.agoracom.com) is free and open to the public. Visitors are directed to client and non-client issuer “hubs” created and maintained by Agoracom. Among the features available on a specific company’s hub is a discussion forum, relating to the issuers’ securities.

13. Agoracom’s representatives serviced the client hubs by moderating their discussion forums and posting information and news to the forums. In order to post comments on the discussion forums, users are required to create a username and provide an e-mail address.

14. Tsiolis and Kondakos required their representatives, as part of their daily responsibilities, to post anonymously to the client forums using aliases. To post messages anonymously, the representatives created fictitious usernames and posed as investors blending in with other users, investors and interested persons. Representatives had between 40-50 aliases (some had up to 200) and were required to make a requisite number of posts per hub per day or risk having their pay docked. On occasion, Agoracom staff conversed with themselves on the forums using different aliases.

15. Staff alleges that during the Material Time:

- (a) more than 24,000 alias posts were created from within Agoracom on client and

non-client hubs;

- (b) more than 670 alias user names were created by representatives of Agoracom and used on client and non-client hubs;
- (c) alias posts originated from Tsiolis' residence; and
- (d) posts by Agoracom representatives, using their aliases, were promotional and promoted purchasing and/or holding stock.

16. Neither the public users nor Agoracom's clients were aware that representatives of Agoracom were posting on their hubs using aliases. In fact, the Respondents knowingly deceived clients about the traffic and activity generated on their hubs. In particular, Agoracom reported the number of posts and shareholder inquiries answered by Agoracom's representatives to clients on a monthly basis, and failed to disclose that a portion of the posts and shareholder inquiries were created by Agoracom's own representatives. For certain clients, alias posts by Agoracom's representatives represented a significant proportion of the postings within the forum.

17. The Respondents knew or ought to have known that the posting activity described above put their clients at risk of being in breach of the TSX-V Corporate Finance Policies governing investor relations firm activities and compensation.

18. The Respondents also took steps to actively conceal the fraudulent posting activity by its representatives. In March 2009, when a representative revealed that he was an Agoracom representative posting with an alias, the Respondents posted an "Official Statement" stating that these actions were carried out by a single representative and that Agoracom would be taking steps within next sixty (60) days to ensure that this would never happen again. This message to the public was false and misleading given that Tsiolis and Kondakos knew and instructed many representatives to create and use multiple aliases to post on all of the client forums. In addition, Tsiolis and Kondakos were aware that representatives continued to post using aliases after this Statement was released.

19. Staff allege that posting activity described above, mandated by the Respondents, was undertaken to create a misleading appearance of greater interest and trading activity in the securities of Agoracom's clients to:

- (a) induce clients to contract or continue to contract with Agoracom; and
- (b) increase the value of Agoracom's stock options.

## **V. SUMMARY**

20. As a result of the conduct described above, the Respondents, directly or indirectly, engaged or participated in an act, practice or course of conduct relating to securities that the Respondents knew or reasonably ought to have known perpetrated a fraud on persons and companies, contrary to section 126.1(b) of the Act.

21. Further, the conduct outlined above was abusive to the capital markets.

## **VI. CONDUCT CONTRARY TO SECURITIES LAW AND THE PUBLIC INTEREST**

22. Staff allege that the conduct set out above of the Respondents violated Ontario securities law as specified and constituted conduct contrary to the public interest.

23. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 1st day of April, 2010.