



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  
JV RALEIGH SUPERIOR HOLDINGS INC.,  
MAISIE SMITH (also known as MAIZIE SMITH) and INGRAM JEFFREY ESHUN**

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

Staff of the Ontario Securities Commission (“Staff”) allege:

**I. OVERVIEW**

1. JV Raleigh Superior Holdings Inc. (“JV Raleigh”), Maisie Smith (also known as Maizie Smith) (“Smith”) and Ingram Jeffrey Eshun (“Eshun”) (together, the “Respondents”) are subject to an order made by the British Columbia Securities Commission (the “BCSC”) dated December 24, 2012 (the “BCSC Order”) that imposes sanctions, conditions, restrictions or requirements on them.
2. In its findings on liability dated July 27, 2012 (the “Findings”), a panel of the BCSC found that the Respondents engaged in unregistered trading contrary to section 34 of the *Securities Act*, R.S.B.C. 1996, c. 418 (the “BC Act”), and in an illegal distribution contrary to section 61 of the BC Act. The panel further found that, as directors of JV Raleigh, Smith and Eshun contravened sections 34 and 61 pursuant to section 168.2 of the BC Act.

3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC Order, pursuant to paragraph 4 of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
4. The conduct for which the Respondents were sanctioned took place between July 2006 and January 2009.

## **II. THE BCSC PROCEEDINGS**

### **The BCSC Findings**

5. In its Findings, a panel of the BCSC made the following findings:
  - a. the Respondents traded in securities in British Columbia without being registered to do so contrary to section 34 of the BC Act;
  - b. the Respondents distributed those securities without filing a prospectus contrary to section 61 of the BC Act; and
  - c. Smith and Eshun authorized, permitted or acquiesced in JV Raleigh’s contraventions of sections 34 and 61 of the BC Act; therefore they also contravened sections 34 and 61 pursuant to section 168.2 of the BC Act.

### **The BCSC Order**

6. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements:
  - a. upon JV Raleigh:
    - i. pursuant to subsection 161(1)(b) of the BC Act, that all persons permanently cease trading in, and be prohibited from purchasing, securities of JV Raleigh; and
    - ii. pursuant to subsection 161(1)(g) of the BC Act, that JV Raleigh pay any amount obtained, or payment or loss avoided, directly or

indirectly as a result of the respondents' contraventions of the BC Act, of not less than \$5.7 million;

b. upon Smith:

- i. pursuant to subsection 161(1)(b) of the BC Act, that Smith permanently cease trading in, and be permanently prohibited from purchasing, securities and exchange contracts, except that she may trade and purchase securities and exchange contracts through accounts in her own name at one registered dealer, provided that she gives a copy of the BCSC Order to the registered dealer;
- ii. pursuant to subsections 161(1)(d)(i) and (ii) of the BC Act, that Smith resign any position she holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer or registrant;
- iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that Smith is permanently prohibited from becoming or acting as a registrant or promoter;
- iv. pursuant to subsection 161(1)(d)(iv) of the BC Act, that Smith is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
- v. pursuant to subsection 161(1)(d)(v) of the BC Act, that Smith is permanently prohibited from engaging in investor relations activities;
- vi. pursuant to subsection 161(1)(g) of the BC Act, that Smith pay any amount obtained, or payment or loss avoided, directly or indirectly as a result of the respondents' contraventions of the BC Act, of not less than \$5.7 million; and

- vii. pursuant to section 162 of the BC Act, that Smith pay an administrative penalty in the amount of \$500,000;
- c. upon Eshun:
- i. pursuant to subsection 161(1)(b) of the BC Act, that Eshun permanently cease trading in, and be permanently prohibited from purchasing, securities and exchange contracts;
  - ii. pursuant to subsections 161(1)(d)(i) and (ii) of the BC Act, that Eshun resign any position he holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer or registrant;
  - iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that Eshun is permanently prohibited from becoming or acting as a registrant or promoter;
  - iv. pursuant to subsection 161(1)(d)(iv) of the BC Act, that Eshun is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
  - v. pursuant to subsection 161(1)(d)(v) of the BC Act, that Eshun is permanently prohibited from engaging in investor relations activities;
  - vi. pursuant to subsection 161(1)(g) of the BC Act, that Eshun pay any amount obtained, or payment or loss avoided, directly or indirectly as a result of the respondents' contraventions of the BC Act, of not less than \$5.7 million; and
  - vii. pursuant to section 162 of the BC Act, that Eshun pay an administrative penalty in the amount of \$750,000.

d. Maximum disgorgement

- i. The aggregate amount paid to the BCSC under paragraphs 6(a)(ii), 6(b)(vi) and 6(c)(vi) not exceed the greater of \$5.7 million and the actual amount obtained, or payment or loss avoided, directly or indirectly as a result of the respondents' contraventions of the BC Act.

**III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION**

7. The Respondents are subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements on them.
8. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.
9. Staff allege that it is in the public interest to make an order against the Respondents.
10. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
11. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*.

**DATED** at Toronto, this 15<sup>th</sup> day of February, 2013.