



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

CP 55, 19^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
LEHMAN BROTHERS & ASSOCIATES CORP., GREG MARKS,
KENT EMERSON LOUNDS and GREGORY WILLIAM HIGGINS**

**ORDER
(Sections 127 and 127.1 of the Act)**

WHEREAS on September 3, 2010, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") accompanied by a Statement of Allegations dated September 3, 2010, issued by Staff of the Commission ("**Staff**") with respect to Lehman Brothers & Associates Corp. ("**Lehman Corp.**"), Greg Marks ("**Marks**"), Kent Emerson Lounds ("**Lounds**") and Gregory William Higgins ("**Higgins**");

AND WHEREAS on June 7, 2011, the Commission approved a settlement agreement between Staff and Higgins;

AND WHEREAS on June 6, 8 and July 5, 2011, the Commission held the hearing on the merits in this matter;

AND WHEREAS on December 16, 2011, the Commission issued its Reasons and Decision on the merits in this matter (the "**Merits Decision**");

AND WHEREAS the Commission is satisfied that Lehman Corp., Marks and Lounds carried out a fraudulent advance fee scheme, have not complied with Ontario securities law and have acted contrary to the public interest, as described in the Merits Decision;

AND WHEREAS on April 23, 2012, the Commission held a hearing with respect to the sanctions and costs to be imposed in this matter;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

- (a) pursuant to clause 2 of subsection 127(1) of the Act, Lehman Corp., Marks and Lounds shall cease trading in securities permanently;
- (b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Lehman Corp., Marks and Lounds is permanently prohibited;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall, permanently, not apply to Lehman Corp., Marks and Lounds;
- (d) pursuant to clause 7 of subsection 127(1) of the Act, Marks and Lounds shall resign all positions that they may hold as a director or officer of an issuer;
- (e) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Marks and Lounds are permanently prohibited from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager;
- (f) pursuant to clause 8.5 of subsection 127(1) of the Act, Marks and Lounds are permanently prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter;
- (g) pursuant to clause 9 of subsection 127(1) of the Act, Marks shall pay an administrative penalty of \$250,000;
- (h) pursuant to clause 9 of subsection 127(1) of the Act, Lounds shall pay an administrative penalty of \$200,000;

- (i) pursuant to clause 10 of subsection 127(1) of the Act, Marks and Lounds shall disgorge to the Commission the amount of \$148,089 obtained as a result of their non-compliance with Ontario securities law on a joint and several basis, to be designated for allocation to or for the benefit of third parties pursuant to subsection 3.4(2)(b) of the Act; and
- (j) pursuant to section 127.1 of the Act, Marks and Lounds shall pay \$39,915.69 on a joint and several basis representing a portion of the costs incurred by the Commission in this matter.

DATED at Toronto at this 29th day of May, 2012.

“Christopher Portner”

Christopher Portner

“C. Wesley M. Scott”

C. Wesley M. Scott