



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

---

**FILE NO.:** 2018-3

**IN THE MATTER OF  
THERALASE TECHNOLOGIES INC.  
and ROGER DUMOULIN-WHITE**

Janet Leiper, Commissioner and Chair of the Panel  
D. Grant Vingoe, Vice-Chair  
Deborah Leckman, Commissioner

February 26, 2018

**ORDER**

(Subsection 127(1) of the  
*Securities Act*, RSO 1990, c S.5)

WHEREAS on February 26, 2018, the Ontario Securities Commission (the "**Commission**") held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider an application made jointly by the respondents (Theralase Technologies Inc. ("**Theralase**") and Roger Dumoulin-White ("**Dumoulin-White**"), together the "**Respondents**") and Staff of the Commission ("**Staff**") for approval of a settlement agreement dated as of February 16, 2018 (the "**Agreement**");

ON READING the Statement of Allegations dated February 21, 2018 and the Joint Application Record for a Settlement Hearing dated February 21, 2018, including the Agreement, the terms of consultant review (attached as Annex I to this Order) and undertakings of each of the Respondents (attached as Annexes II and III to this Order, respectively);

AND ON HEARING the submissions of representatives for the Respondents and Staff, and considering that \$100,000 of the administrative penalty payable by Dumoulin-White has been received by the Commission in accordance with the terms of the Agreement;

IT IS ORDERED THAT:

1. the Agreement is approved;
2. Theralase:
  - a. submit to a review by Peterson McVicar LLP (the "**Consultant**") of:  
(A) Theralase's corporate governance framework, including the composition of its Board of Directors and Disclosure Committee; (B) Theralase's disclosure policies; and (C) the policies, processes, reports and systems related to Theralase's disclosure controls and procedures; and

- b. institute such changes as may be recommended by the Consultant and accepted by Staff in accordance with the process set forth in Annex I to this Order, pursuant to paragraph 4 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**");
3. the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
  4. Dumoulin-White immediately resign any position that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
  5. Dumoulin-White is prohibited from becoming or acting as a director or officer of a reporting issuer or any related entity<sup>1</sup> for a period of five years commencing on the date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act;
  6. Dumoulin-White is prohibited from becoming or acting as a director or officer of a non-reporting issuer, other than a related entity of a reporting issuer,<sup>2</sup> for a period of three years commencing on the date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
  7. Dumoulin-White pay an administrative penalty in an amount equal to \$250,000 less the costs of the Consultant paid by Dumoulin-White (which will not exceed \$150,000 and will be confirmed by the Consultant as set forth in Annex I to this Order), pursuant to paragraph 9 of subsection 127(1) of the Act, which administrative penalty amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act and shall be paid in full by certified cheque or bank draft within two months of the date the first Management's Discussion & Analysis specified in paragraph 8 of the terms of consultant review (attached as Annex I to this Order) is required to be filed.

	<i>"Janet Leiper"</i>	
	_____ Janet Leiper	
<i>"D. Grant Vingoe"</i>		<i>"Deborah Leckman"</i>
_____ D. Grant Vingoe		_____ Deborah Leckman

<sup>1</sup> As defined in Division 4 of National Instrument 45-106 *Prospectus Exemptions*.

<sup>2</sup> Under paragraph 5 of this Order, Dumoulin-White is prohibited from becoming or acting as a director or officer of a related entity of a reporting issuer for a period of five years commencing on the date of this Order.

## **ANNEX I**

### **TERMS OF CONSULTANT REVIEW**

#### **IN THE MATTER OF THERALASE TECHNOLOGIES INC. and ROGER DUMOULIN-WHITE**

#### **CONSULTANT'S TERMS OF REVIEW**

All terms will have the same meanings herein as in the settlement agreement dated as of February 16, 2018 between Theralase Technologies Inc., Roger Dumoulin-White and Staff of the Ontario Securities Commission.

##### **A. Consultant's Mandate**

1. To conduct a review of, and to deliver reports addressing: (a) Theralase's corporate governance framework, including the composition of its Board and Disclosure Committee; (b) Theralase's disclosure policies; and (c) the policies, processes, reports and systems related to Theralase's disclosure controls and procedures.

##### **B. Consultant's and Theralase's Obligations**

2. The Consultant will issue a report to Theralase's Board, Audit Committee and Disclosure Committee and Staff within three months of the date of the Order, provided that the Consultant may seek to extend the review period for one additional three-month term by requesting an extension from Staff. Staff, after consultation with Theralase, may grant the extension if Staff deem it reasonable and warranted.

3. The Consultant's report will address the Consultant's review of the areas specified in Part A and will include a description of the review performed, the conclusions reached, the Consultant's recommendations for any changes or improvements as the Consultant reasonably

deems necessary to conform to the law and best practices and a procedure for implementing the recommended changes or improvements.

4. Theralase will adopt all recommendations in the Consultant's report, provided that within 30 days of receipt of the report, it may in writing advise the Consultant and Staff of any recommendation it considers unnecessary or inappropriate. Theralase need not adopt that recommendation, but will propose in writing an alternative policy, procedure or system designed to achieve the same objective or purpose.

5. Theralase and the Consultant will attempt in good faith to reach an agreement on the recommendations Theralase has notified the Consultant of its disagreement with in accordance with paragraph 4. In the event Theralase and the Consultant are unable to agree on an alternative proposal within 60 days of the issuance of the Consultant's report, Theralase will abide by the Consultant's determination.

6. Theralase will retain the Consultant for a period of 12 months from the date of the Order. After the Consultant's recommendations become final pursuant to paragraph 4 or 5 above, the Consultant will oversee the implementation of the recommendations.

7. Twelve months after the date of the Order, the Consultant will provide a report to Theralase's Board, Audit Committee and Disclosure Committee and Staff concerning the progress of the implementation. If not all of the Consultant's recommendations have been implemented in a manner satisfactory to Staff for at least two successive fiscal quarters, Theralase will extend the Consultant's term of appointment until such time as all recommendations have been implemented in a manner satisfactory to Staff for at least two successive fiscal quarters.

8. At the conclusion of the 12-month period specified in paragraph 7, in addition to any requirements under applicable securities laws requiring disclosure related to this matter, Theralase will disclose in each of its next interim and annual MD&A (and its next interim and annual MD&A once any extended period contemplated in paragraph 7 is complete) a summary of:

- (a) the Consultant's report specified in paragraph 2;

- (b) if Theralase disagreed with any recommendations in the Consultant's report, the nature of the disagreement and its resolution, including the policy, procedure or system that was implemented; and
- (c) the implementation of the balance of the Consultant's recommendations.

9. In addition to the reports identified above, the Consultant will provide Theralase's Board, Audit Committee and Disclosure Committee and Staff with such documents or other information concerning the areas specified in Part A as any of them may request during the pendency or at the conclusion of the review.

### **C. Terms of Consultant's Retainer**

10. The Consultant will have reasonable access to all of Theralase's books and records and may meet privately with its personnel. Theralase will instruct and otherwise encourage its directors, officers, employees and consultants to cooperate fully with the Consultant and inform its directors, officers, employees and consultants that failure to do so may be grounds for disciplinary action, dismissal or other appropriate actions.

11. The Consultant will make and keep notes of interviews conducted, and keep a copy of documents gathered, in connection with the performance of its responsibilities, and require all persons and firms retained to assist the Consultant to do so as well. The Consultant will provide Staff with such notes and documents as Staff may request during the pendency or at the conclusion of the review.

12. The Consultant will have the right, as reasonable and necessary in its judgment, to retain lawyers, accountants or other persons or firms, other than directors, officers, employees and consultants of Theralase, to assist in the discharge of its obligations. The fees and expenses of any persons or firms retained by the Consultant will be borne by the Consultant.

13. Within one month of the date the first MD&A specified in paragraph 8 is required to be filed (the "Report Disclosure Date"), the Consultant will provide the Board, Dumoulin-White and Staff with a final account of the costs in respect of its retainer (the "Costs"), including its fees, disbursements, any fees or expenses incurred pursuant to paragraph 12 and any applicable

taxes. The Costs shall be payable by Dumoulin-White, subject to a cap of \$150,000. For greater certainty, if the Costs exceed \$150,000, the Consultant shall complete the balance of the work specified in this Annex I at its own expense.

14. Within two months of the Report Disclosure Date, the Consultant will advise the Board and Staff in writing of the amount of the Costs that have been paid to it by Dumoulin-White.

## **ANNEX II**

### **UNDERTAKING OF THERALASE**

#### **IN THE MATTER OF THERALASE TECHNOLOGIES INC. and ROGER DUMOULIN-WHITE**

#### **UNDERTAKING OF THERALASE TECHNOLOGIES INC. TO THE ONTARIO SECURITIES COMMISSION**

1. This Undertaking is given in connection with the settlement agreement dated as of February 16, 2018 between Theralase Technologies Inc., Roger Dumoulin-White and Staff of the Ontario Securities Commission (the “Agreement”). All terms will have the same meanings in this Undertaking as in the Agreement.
2. Theralase undertakes to the Commission to:
  - (a) appoint Arkady Mandel (“Mandel”), Theralase’s Chief Scientific Officer, to act as Theralase’s Interim Chief Executive Officer for a period of no more than one year commencing on the date of the Order;
  - (b) use best efforts to recruit a Chief Executive Officer to replace Mandel as soon as practicable. The replacement Chief Executive Officer will not be a director, officer, employee or consultant of Theralase on the date of the Order;
  - (c) establish a Disclosure Committee to oversee and approve its disclosure, as follows:
    - (i) the Disclosure Committee will be composed of at least three members;
    - (ii) all of the members will be independent directors;
    - (iii) the initial Chair will be Guy Anderson; and

- (iv) all Theralase's disclosure will be approved by a majority vote of the Disclosure Committee;
- (d) cause each of its directors and officers to complete a corporate governance course on disclosure issues satisfactory to Staff, the costs of which course will not exceed \$2,500;
- (e) for a period of five years commencing on the date of the Order, ensure that Dumoulin-White not engage, directly or indirectly, in any disclosure activities or significant investor relations activities in respect of Theralase and that any of Dumoulin-White's activities in respect of the raising of financing by, or the solicitation of investments in, Theralase are supervised by Theralase's Chief Executive Officer or a member of its Disclosure Committee, all in accordance with the undertakings of Dumoulin-White set forth in subparagraph 46(a) of the Agreement;
- (f) cancel Dumoulin-White's Future Services Options and not effect any transactions to replace them; and
- (g) disseminate and file a news release acceptable to Staff regarding this Agreement, including the matters set out under Part III of the Agreement.

**DATED** at Toronto, Ontario as of the 16th day of February, 2018.

**THERALASE TECHNOLOGIES INC.**

By: "Matthew Perraton"  
Matthew Perraton  
Director

By: "Randy Bruder"  
Randy Bruder  
Director



## **ANNEX III**

### **UNDERTAKING OF DUMOULIN-WHITE**

#### **IN THE MATTER OF THERALASE TECHNOLOGIES INC. and ROGER DUMOULIN-WHITE**

#### **UNDERTAKING OF ROGER DUMOULIN-WHITE TO THE ONTARIO SECURITIES COMMISSION**

1. This Undertaking is given in connection with the settlement agreement dated as of February 16, 2018 between Theralase Technologies Inc., Roger Dumoulin-White and Staff of the Ontario Securities Commission (the “Agreement”). All terms will have the same meanings in this Undertaking as in the Agreement.
2. Dumoulin-White undertakes to the Commission to:
  - (a) for a period of five years commencing on the date of the Order:
    - (i) not to engage, directly or indirectly, in any disclosure activities, being:
      1. preparing any disclosure document, including any document disclosing information about an issuer used in soliciting investments in the issuer on a private placement basis; or
      2. participating in any discussions, or making any recommendations or otherwise influencing or attempting to influence an issuer, in respect of the preparation of any disclosure document;except in respect of any disclosure describing Dumoulin-White personally or his relationship with the issuer or as may be required by law;

- (ii) not to engage, directly or indirectly, in any significant investor relations activities; and
  - (iii) ensure that any of his activities in respect of the raising of financing by, or the solicitation of investments in, Theralase be supervised by its Chief Executive Officer or a member of its Disclosure Committee;
- (b) before engaging in any disclosure activities, investor relations activities or the financing or solicitation activities described in subparagraph (a) above, engage in a full day of one-on-one training with the Consultant regarding disclosure issues;
  - (c) before becoming a director or officer of an issuer, complete an education program, satisfactory to Staff, relating to the obligations of directors and officers;
  - (d) not dispose of any of his securities of Theralase until the day following the date the first MD&A specified in paragraph 8 of Annex I to the Order is required to be filed;
  - (e) pay the costs of Consultant's review, which will not exceed \$150,000, as set forth in Annex I to the Order;
  - (f) surrender for cancellation the Future Services Options; and
  - (g) pay all of the amounts payable by him under this Agreement, the Order and the Dumoulin-White Undertaking either from his personal assets, without recourse to any insurance, indemnification or similar provision or, if such a provision is relied on, at no cost to Theralase, including in the form of increased insurance premiums.

**DATED** at Toronto, Ontario as of the 16th day of February, 2018.

***"Guy Anderson"***

Witness: Guy Anderson

***"Roger Dumoulin-White"***

**ROGER DUMOULIN-WHITE**