

IN THE MATTER OF THE *SECURITIES ACT*,
S.N.B. 2004, c. S-5.5

AND

IN THE MATTER OF

**MAITLAND CAPITAL LTD., AL GROSSMAN and
STEVE LANYS**

(Respondents)

**DECISION AND ORDER
PURSUANT TO SUBSECTION 184(1.1)**

BACKGROUND

1. On 29 October 2012, Staff ("Staff") of the New Brunswick Securities Commission ("Commission") filed with the office of the Secretary of the Commission ("Secretary") an application for an order ("Application") pursuant to paragraph 184(1.1)(c) of the *Securities Act* ("Act") against the Respondents Maitland Capital Ltd ("Maitland"), Al Grossman, otherwise known as Allen Grossman or Abraham Herbert Grossman ("Grossman"), and Steve Lanys ("Lanys").
2. Pursuant to subsection 184(1.1) of the *Act* the Commission may, after providing the Respondents an opportunity to be heard, issue an order under paragraphs 184(1)(c) and (d) against a person if the person is subject to an order made by a securities regulatory authority or self-regulatory organization in Canada or elsewhere imposing sanctions, conditions, restrictions or requirements on the person.
3. By Delegation Order, the Commission authorized the Chair or any one member of the Commission to issue an order against a person in accordance with subsection 184(1.1) if the person does not exercise his or her opportunity to be heard.

LAW & EVIDENCE

4. The relevant provisions of the *Act* are as follows:
184(1) The Commission may, if in its opinion it is in the public interest to do so, make one or more of the following orders:
...
(c) an order that

- (i) trading in or purchasing cease in respect of any securities or exchange contracts specified in the order, or
- (ii) a person specified in the order cease trading in or purchasing securities or exchange contracts, specified securities or exchange contracts or a class of securities or class of exchange contracts;
- (d) an order that any exemptions contained in New Brunswick securities law do not apply to a person permanently or for such period as is specified in the order;

...

184(1.1) In addition to the power to make orders under subsection (1), the Commission may, after providing an opportunity to be heard, make one or more of the orders referred to in paragraphs (1)(a) to (d) and (1)(g) to (i) against a person if the person

...

- (c) is subject to an order made by a securities regulatory authority or self-regulatory organization in Canada or elsewhere imposing sanctions, conditions, restrictions or requirements on the person, or

...

5. On 29 October 2012, Staff filed with the Secretary the affidavit of Gordon Fortner, an investigator with the Commission ("Fortner Affidavit"), in support of the Application. The Fortner Affidavit had annexed to it as exhibits the following:

- a. Exhibits A through E - Orders issued against the Respondents by the Commission dated 31 March 2006, 11 April 2006, 24 May 2006, 24 August 2006 and 11 October 2006;
- b. Exhibit F - Ontario Court of Justice Decision against Maitland, Grossman and Hanoch Ulfman dated 23 March 2011;
- c. Exhibit G - Ontario Securities Commission Order relating to Maitland, Grossman and Hanoch Ulfman pursuant to subsections 127(1) and 127(10) of the Ontario *Securities Act* dated 8 February 2012;
- d. Exhibit H - Permanent cease trade Order issued by the Commission against Grossman in the *Limelight et al.* matter dated 14 June 2006;
- e. Exhibit I - Commission Decision on Administrative Penalties and Costs dated 30 May 2008 in the *First Global Ventures et al.* matter, involving Grossman;
- f. Exhibit H - Ontario Securities Commission document - Agreed Statement of Facts between staff of the Enforcement Branch and Lanys dated 14 February 2012; and
- g. Exhibit K - Ontario Securities Commission Order with respect to Lanys pursuant to section 127 of the Ontario *Securities Act* dated 6 July 2012.

6. On 8 January 2013, Staff filed with the Secretary two (2) Affidavits of Service ("Service Affidavits") confirming that the Respondents had been personally served with the Application, Notice of Application and the Fortner Affidavit.

ANALYSIS

7. I reviewed the Application and Notice of Application, and the Fortner Affidavit and Service Affidavits filed by Staff. The Fortner Affidavit and the Service Affidavits evidenced the findings of the Commission summarized in paragraphs 8 through 15 inclusive. I also reviewed and considered the Lanys Letter referenced in paragraph 10 below.

8. As required by subsection 184(1.1) of the Act, the Respondents were provided with an opportunity to be heard through service upon the Respondents of Staff's Application and a Notice of Application issued by the Commission, which provided a deadline within which the Respondents could request an opportunity to be heard.

9. No request for an opportunity to be heard was received from the Respondents.

10. The Respondent Lanys did provide a letter dated 14 November 2012 ("Lanys Letter") for consideration by the Commission.

11. The Respondents Maitland and Grossman are subject to an Order of the Ontario Securities Commission dated 8 February 2012, wherein they were permanently ordered to cease trading in any securities and permanently denied exemptions under Ontario securities law. Maitland and Grossman were also found guilty on 11 March 2011 by Justice Sparrow of the Ontario Court of Justice on 10 counts of breaching Ontario securities laws.

12. The Respondent Lanys entered into an Agreed Statement of Facts with enforcement staff of the Ontario Securities Commission, wherein he admitted certain acts in contravention of Ontario securities laws. Lanys was ordered to cease trading in any securities by order of the Ontario Securities Commission dated 6 July 2012 for a period of three years, with certain specified exemptions related to trading in his registered retirement savings plans.

13. The Respondents Maitland and Grossman are subject to previous decisions and orders of the Alberta Securities Commission and the Saskatchewan Financial Services Commission; the Respondent Lanys is subject to previous orders of the Saskatchewan Financial Services Commission.

14. The Respondents were subject to administrative proceedings before the Commission in 2006, which resulted in the Respondents being ordered by the Commission to cease trading in any securities on a temporary basis. The Commission's administrative proceedings were adjourned on 11 October 2006 pending the outcome of the Ontario Securities Commission proceedings.

15. The Commission has issued orders, including a permanent order to cease trading

in any securities and an order for administrative penalties, against the Respondent Grossman in two other Commission enforcement matters, *Limelight et al.* and *First Global Ventures et al.* issued on 30 May 2008.

ORDER

16. I reviewed the decisions of the Ontario Court of Justice and the Ontario Securities Commission against the Respondents and I am satisfied that there is a real and substantial connection between the Respondents and the originating jurisdiction, Ontario, as required by the Commission in the *Shire International Real Estate Investment Ltd. et al.* decision, issued on 14 May 2010.

17. Based on the evidence presented by Staff in their Application, I am of the opinion that it is in the public interest to issue the following order, pursuant to subsection 184(1.1) of the *Act*, consistent with the intent of the Ontario orders upon which the Application was based:

- (a) pursuant to subparagraphs 184(1)(c)(i) and 184(1)(c)(ii) of the *Act*, all trading by Maitland Capital Ltd., and its officers, directors, employees or agents in securities of Maitland Capital Ltd. shall cease (including, without limitation, the solicitation of trades, or any acts constituting attempts or acts in furtherance of trading, in such securities) permanently;
- (b) pursuant to subparagraphs 184(1)(c)(i) and 184(1)(c)(ii) of the *Act*, the Respondent Al Grossman (otherwise known as Allan Grossman or Abraham Herbert Grossman) shall cease trading in all securities (including, without limitation, the solicitation of trades in securities or any acts constituting attempts or acts in furtherance of trading in securities) permanently;
- (c) pursuant to paragraph 184(1)(d) of the *Act*, any exemptions in New Brunswick securities law do not apply to the Respondents Maitland Capital Ltd. and Al Grossman (otherwise known as Allan Grossman or Abraham Herbert Grossman) permanently;
- (d) pursuant to subparagraphs 184(1)(c)(i) and 184(1)(c)(ii) of the *Act*, the Respondent Steve Lanys shall, until 6 July 2015, cease trading in all securities (including, without limitation, the solicitation of trades in securities or any acts constituting attempts or acts in furtherance of trading in securities), subject to the exception for trading permitted in his registered retirement savings plans as specified in the 6 July 2012 Order of the Ontario Securities Commission; and

- (e) pursuant to paragraph 184(1)(d) of the *Act*, any exemptions in New Brunswick securities law do not apply to the Respondent Steve Lanys, until after 6 July 2015, subject to the exception for trading permitted in his registered retirement savings plans as specified in the 6 July 2012 Order of the Ontario Securities Commission.

DATED at the City of Saint John, New Brunswick, this 1st day of February 2013.

"original signed by"
David G. Barry, Q.C.

New Brunswick Securities Commission
Suite 300, 85 Charlotte Street
Saint John, New Brunswick E2L 2J2

Tel: 506-658-3060

Fax: 506-658-3059

secretary@nbsc-cvmnb.ca