



IN THE MATTER OF: THE SECURITIES ACT

-and-

**IN THE MATTER OF: JANICE ANNE THOROSKI AND CLAIR
STUART CALVERT**

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

**STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, AMONG
OTHER THINGS, THAT:**

A. BACKGROUND

1. Janice Anne Thoroski ("THOROSKI") is a retired high school teacher. At all material times, THOROSKI was still employed as a school teacher.
2. THOROSKI is not and has never been registered under The Securities Act of Manitoba ("Act") in any capacity.
3. At all material times, THOROSKI and Clair Stuart Calvert ("CALVERT") were personally known to each other. CALVERT and THOROSKI each maintained a residence in Winnipeg, Manitoba.
4. CALVERT is not and has never been registered under the Act in any capacity.
5. CALVERT has been registered in the securities industry in the Province of British Columbia with three sponsoring brokers from 1982 to 1996 as follows:
 - (a) November 12, 1982 to August 31, 1984, registered representative (securities exchange forward contracts);

- (b) September 21, 1984 to September 14, 1989, investment advisor;
 - (c) September 15, 1989 to April 29, 1996, investment advisor.
6. On March, 2009, CALVERT was hired by Benton Resources Corp. ("BENTON") for Investor Relations.
 7. BENTON was a publicly traded mineral exploration company whose head office was in Vancouver, British Columbia and corporate office was in Thunder Bay, Ontario. At the time of the trading activity described below, BENTON's shares traded on the TSX Venture Exchange under the ticker symbol BTC.
 8. These allegations pertain to manipulative trading activity including up-ticking and spoofing by THOROSKI and CALVERT in BENTON shares during the period of November 1, 2009 to February 28, 2010, both dates inclusive ("review period").

B. TRADING ACTIVITY

1. On November 19, 2007, THOROSKI opened a trading account with BMO InvestorLine discount brokerage ("First Account"). The First Account was funded through THOROSKI's personal bank account.
2. On April 30, 2009, THOROSKI also opened a second trading account with BMO InvestorLine, a Tax-Free Savings Account ("TFSA").
3. In the TFSA, no trading occurred in BENTON during the review period. The TFSA held 12,000 shares of BENTON throughout the time.
4. In the First Account, shares of BENTON were traded extensively during the review period.
5. At the beginning of the review period, in the First Account, the opening balance of BENTON shares, including trading done in October and settled in November, was 112,500 shares.
6. Thereafter, in the review period, trading in BENTON shares in the First Account occurred as follows:
 - (a) 174 Buy orders were placed, representing a volume of 715,500 shares;

- (b) 28 Sell orders were placed, representing a volume of 180,500 shares;
 - (c) purchases (filled Buy orders) totalled 144,500 shares;
 - (d) sales (filled Sell orders) totalled 161,000 shares.
7. The overall end result of all of the trading activity in the review period was a decrease in BENTON shares held by only 16,500.
 8. During the review period, the trading activity included 101 filled Buy orders and 23 filled Sell orders.
 9. In general, the filled Buy orders were priced, sized, and timed so as to raise the share price on each trade, a practice known as "up-ticking".
 10. During the review period, 105 uptick trades were executed by THOROSKI and CALVERT, representing approximately 36 per cent of all upticks in BENTON in the same period.
 11. The high number of Buy orders compared to the low number of Sell orders demonstrates a pattern of buying in small lots, then selling off with a large lot. Neither accumulation nor liquidation of BENTON stock resulted.
 12. Overall the extent of the trading activity in the First Account failed to demonstrate a real economic benefit.
 13. The First Account in effect lost money over the review period by conducting the specific trades done in BENTON shares.
 14. The average purchase price of \$0.598 and average sale price of \$0.599 were almost identical.
 15. A commission of \$9.95 for each order filled or partially filled was charged to the First Account.
 16. During the review period, the market value of BENTON shares increased by around 50 percent.
 17. Simply holding 112,500 shares without trading in BENTON during the review period would have resulted in a greater increase in value than the increase in value which occurred from the trades made.
 18. During the review period, over 200 orders were placed: 174 Buy orders and 28 Sell orders.

Details of Buy Orders:

19. As to the 174 Buy orders placed, 101 were filled, representing 144,500 shares. 73 expired unfilled or were cancelled, representing 571,000 shares.

A - Filled Buy Orders (101)

20. In general, the Buy orders which filled were small in size, compared to those Buy orders which did not fill, and were priced to fill. Most of the Buy orders which filled were "market orders" ready to fill immediately at the best available price.
21. The orders were designed to buy up shares available at the lower price and then up-tick the price on the subsequent fill.
22. Of the 101 filled Buy orders, 26 required multiple fills. 20 of the orders up-ticked the price on the second or third fill. In many cases the subsequent fill was a single board lot.
23. Including multiple fills, 129 buy trades resulted. Of the 129 buy trades, 101 up-ticked the price.
24. The practice of buying small volumes of shares to repeatedly raise the share price is "up-ticking".

B - Expired Unfilled or Cancelled Buy Orders (73)

25. The size, price, and timing of the orders and the length of time for which they were open, all made execution very unlikely. Specifically:
- (a) Most of the unfilled Buy orders were for larger quantities than Buy orders which filled.
 - (b) The volume of expired unfilled or cancelled Buy orders totalled 571,000 shares, which is almost four times the volume of Buy orders filled.
 - (c) Most of the 73 unfilled Buy orders were "limit orders". Limit orders cannot fill unless a seller matches the price. In the case of these limit orders, the price was in general far below market.
 - (d) 42 of the 73 were entered prior to open and often priced such that they were very unlikely to execute before expiry.

- (e) Some of the pre-open Buy orders were cancelled before the market opened.
 - (f) Most of the 42 pre-open Buy orders were day orders.
26. Entering orders with no intention of them being executed is commonly referred to in the industry as “spoofing”.

Details of Sell Orders:

27. As to the 28 Sell orders placed in total, very few Sell orders failed to fill.
28. 23 Sell orders were filled, or in one case partially filled, for a total volume of 161,000 shares. Only 5 Sell orders did not fill. The unfilled Sell orders represented only 19,500 shares.
29. The Sell orders appear to have no regard for the Buy price. Many sales are at a net loss with Sell orders having been entered at market price.
30. Often a number of smaller lot Buy orders were followed by a single larger lot Sell order.
31. Based upon the characteristics of the Sell orders, it appears that the purpose of the trading activity in Sell orders was to simply maintain, or to not increase, the level of holdings in BENTON, in spite of the extensive trading being conducted with Buy orders.

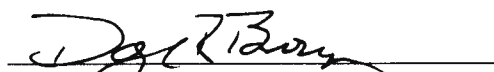
General:

32. All orders were entered electronically.
33. 4 orders originated from the school at which THOROSKI taught.
34. 41 orders originated from CALVERT’s residence, while THOROSKI was teaching at a school about 6.4 kilometres away.
35. 17 orders originated from hotels in Toronto and Vancouver where CALVERT was registered as a guest on a day when THOROSKI was teaching in Winnipeg.
36. At all material times, THOROSKI had sole trading authority on the First Account. The day after the review period, March 1, 2010, CALVERT and THOROSKI signed documentation requesting that CALVERT be added as Authorized Trading Authority and Power of Attorney for the First Account.

C. ALLEGATIONS

1. Staff of the Commission allege that THOROSKI and/or CALVERT engaged in trading activity in BENTON including up-ticking and spoofing, whereby, directly or indirectly, THOROSKI and/or CALVERT engaged in or participated in a transaction or series of transactions or method of trading relating to a trade in or acquisition of a security or an act, practice or course of conduct, whereby she/he knew or ought reasonably to have known, that such activity results in or contributes to a misleading appearance of trading activity in, or an artificial price for, a security, and that such conduct is a form of market manipulation.
2. Staff of the Commission allege that due to any or all of the foregoing allegations, THOROSKI and/or CALVERT acted contrary to the best interests of the public and orders should be granted against THOROSKI and/or CALVERT that pursuant to section 148 of the Act trading in securities by THOROSKI and/or CALVERT cease, that pursuant to section 148.1 of the Act an administrative penalty be ordered, and that pursuant to section 148.3 of the Act THOROSKI and/or CALVERT resign and be prohibited from acting as or becoming a director or officer of an issuer.
3. Such further and other matters as counsel may advise and the Commission may permit.

DATED at Winnipeg, Manitoba this 26th day of March, 2014.


Director

TO: JANICE ANNE THOROSKI

AND TO: CLAIR STUART CALVERT