



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22nd Floor  
20 Queen Street West  
Toronto ON M5H 3S8

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

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**IN THE MATTER OF  
SINO-FOREST CORPORATION, ALLEN CHAN, ALBERT IP, ALFRED C.T. HUNG,  
GEORGE HO, SIMON YEUNG and DAVID HORSLEY**

D. Grant Vingoe, Vice-Chair and Chair of the Panel  
Deborah Leckman, Commissioner  
Garnet W. Fenn, Commissioner

July 9, 2018

**ORDER**

(Subsection 127(1) and Section 127.1 of the  
*Securities Act*, RSO 1990, c S.5)

WHEREAS on November 20 and 27, 2017, January 18, 2018, and March 26 and 27, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider the sanctions and costs that the Commission should impose on the respondents as a result of the findings in the Commission's Reasons and Decision on the merits, issued on July 13, 2017;

AND WHEREAS On March 14, 2018, the Superior Court of Justice in *Borelli, in his capacity as trustee of the SFC Litigation Trust v. Chan*, ordered Mr. Chan to pay US \$2,627,478,000 (**SFC Litigation Trust Order**);

AND WHEREAS a class action brought by Sino-Forest shareholders before the Superior Court of Justice in *The Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v Sino-Forest Corp et al* (**Shareholders Class Action**) is pending against Mr. Chan;

ON READING the materials filed by, and hearing the submissions of the representatives of the respondents and Staff of the Commission and no one appearing for Sino-Forest Corporation;

IT IS ORDERED THAT:

1. Pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), Mr. Chan, Mr. Ip, Mr. Hung, Mr. Ho and Mr. Yeung are permanently prohibited from trading in any securities;
2. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, Mr. Chan, Mr. Ip, Mr. Hung, Mr. Ho and Mr. Yeung are permanently prohibited from acquiring any securities;
3. Pursuant to paragraph 3 of subsection 127(1) of the Act, all exemptions contained in Ontario securities law shall not apply to Mr. Chan, Mr. Ip, Mr. Hung, Mr. Ho and Mr. Yeung permanently;
4. Pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Mr. Chan, Mr. Ip, Mr. Hung, Mr. Ho and Mr. Yeung shall resign from any positions they hold as a director or officer of any issuer, registrant or investment fund manager;

5. Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Mr. Chan, Mr. Ip, Mr. Hung, Mr. Ho and Mr. Yeung are permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
6. Pursuant to paragraph 8.5 of subsection 127(1) of the Act, Mr. Chan, Mr. Ip, Mr. Hung, Mr. Ho and Mr. Yeung are permanently prohibited from becoming or acting as a registrant, an investment fund manager or a promoter;
7. Pursuant to paragraph 9 of subsection 127(1) of the Act:
  - a. Mr. Chan shall pay an administrative penalty of \$5,000,000;
  - b. Mr. Ip shall pay an administrative penalty of \$2,650,000;
  - c. Mr. Hung shall pay an administrative penalty of \$2,000,000;
  - d. Mr. Ho shall pay an administrative penalty of \$2,000,000; and
  - e. Mr. Yeung shall pay an administrative penalty of \$1,000;
8. Pursuant to paragraph 10 of subsection 127(1) of the Act:
  - a. Mr. Chan shall disgorge to the Commission \$60,288,253;
  - b. Mr. Ip shall disgorge to the Commission \$1,859,710;
  - c. Mr. Hung shall disgorge to the Commission \$1,286,373; and
  - d. Mr. Ho shall disgorge to the Commission \$1,214,883;
9. Each of the payments in paragraphs 7 and 8 is designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b)(i) or (ii) of the Act;
10. Pursuant to section 127.1 of the Act, the respondents shall pay costs to the Commission of \$5,096,760, as follows:
  - a. Mr. Chan shall pay costs to the Commission of \$2,038,704;
  - b. Mr. Ip shall pay costs to the Commission of \$1,529,028, for which he shall be jointly and severally liable with Mr. Chan;
  - c. Mr. Hung shall pay costs to the Commission of \$1,019,352, for which he shall be jointly and severally liable with Mr. Chan and Mr. Ip; and
  - d. Mr. Ho shall pay costs to the Commission of \$509,676, for which he shall be jointly and severally liable with Mr. Chan, Mr. Ip and Mr. Hung; and
11. Any payments made by Mr. Chan in respect of the SFC Litigation Trust Order or any final order in the Shareholders Class Action shall be credited against the disgorgement order against Mr. Chan in paragraph 8(a).

*"D. Grant Vingoe"*

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*"Deborah Leckman"*

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Deborah Leckman

*"Garnet W. Fenn"*

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