



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF
BRIDGING FINANCE INC., DAVID SHARPE, NATASHA SHARPE and
ANDREW MUSHORE**

STATEMENT OF ALLEGATIONS

(Section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c S.5)

A. OVERVIEW

1. David and Natasha Sharpe defrauded institutional and retail investors out of millions of dollars through their dishonesty and deceit. The Sharpes exploited their positions of trust for their own personal gain. Staff of the Ontario Securities Commission will take decisive action to permanently remove such persons from Ontario's capital markets.

2. The Sharpes were registrants and the most senior leaders at Bridging Finance Inc., which managed investment vehicles focused on making short-term loans to borrowers. Through their relationships with three borrowers and with the assistance of Bridging's Chief Compliance Officer, Andrew Mushore, the Sharpes funnelled investor funds to themselves and Bridging, then concealed their wrongdoing from investors.

3. The Sharpes then obstructed Staff's investigation to try to cover their tracks. Together with Mushore, they destroyed, concealed and altered Bridging records, misled Staff after swearing to tell the truth, and, in the case of David Sharpe, intimidated witnesses.

B. FACTS

4. Enforcement Staff (**Staff**) makes the following allegations of fact.

Background

5. Bridging Finance Inc. (**Bridging**) is a Toronto-based investment management firm with a stated focus on alternative finance. Bridging managed various investment vehicles (each a **Fund**) by virtue of management agreements between Bridging and the respective Fund.

6. Bridging's investors (**Investors**) participated in the Funds through the purchase of limited partnership or trust units. In turn, Bridging originated loans from the Funds to borrowers.

7. The Offering Memoranda for various Funds stated that Bridging pursued an investment strategy "that identifies good companies that are overlooked by the general financing community". All potential loans from the Funds were to be reviewed and approved by a majority vote of Bridging's eight-member credit committee (the **Credit Committee**) as part of Bridging's and the Funds' loan approval process. The Credit Committee included both the Sharpes, Mushore, another Bridging director and executive vice-president, a portfolio manager, a senior credit advisor and two senior managing directors.

8. Bridging was registered with securities regulators across Canada as a restricted portfolio manager and an exempt market dealer. Bridging was also registered as an investment fund manager in Ontario, Quebec and Newfoundland & Labrador.

9. David Sharpe (Natasha Sharpe's spouse) was the most senior decision-maker at Bridging and was involved in every major aspect of Bridging's business. He was Bridging's President and Chief Operating Officer before serving as Chief Executive Officer and Ultimate Designated Person (**UDP**) from December 2016 to May 5, 2021.

10. At all material times, Natasha Sharpe was an indirect Bridging shareholder and was a Bridging director. She was also Bridging's Chief Executive Officer before David Sharpe assumed the role and was Bridging's Chief Investment Officer until August 2020.

11. At all material times, Mushore was Bridging's Chief Compliance Officer. Mushore also became Chief Operating Officer in September 2020.

12. On April 30, 2021, owing to serious misconduct uncovered by Staff during its investigation, the Ontario Securities Commission applied to the Ontario Superior Court of Justice for the appointment of a receiver and manager over all the property of Bridging and the Funds under section 129 of the *Securities Act* (the **Act**). The Court granted the Commission's application

and appointed PricewaterhouseCoopers Inc. as receiver and manager over the property of, among other entities, Bridging and the Funds.

13. Also on April 30, 2021, the Commission issued a temporary order (the **Temporary Order**) requiring that all trading in the securities of the Funds cease and that David Sharpe's registration as UDP of Bridging be suspended. The Temporary Order as it related to the cease trade of securities of the Funds was extended on May 12, 2021. On August 10, 2021, the Commission again extended the cease trade of securities of the Funds (the **August Order**), with minor modifications. The Commission extended the August Order on December 22, 2021, and on March 21, 2022.

Fraud and Conflicts of Interest

14. Through transactions with Bridging borrowers, the Sharpes, with the assistance of Mushore, funnelled Investors' funds to the Sharpes or to Bridging for the Sharpes' ultimate benefit. The relevant borrowers are companies connected to three individuals: Sean McCoshen, Rishi Gautam and Gary Ng.

(a) *David and Natasha Sharpe Secretly Received Investors' Funds (McCoshen Loans)*

15. David Sharpe orchestrated the secret transfer of millions of Investors' dollars from the Funds to himself through his relationship with Sean McCoshen.

16. David Sharpe and McCoshen have been acquainted since at least 2014. McCoshen owned and controlled the Funds' single largest debtor, Alaska-Alberta Railway Development Corporation (**A2A**), and other companies. Together, McCoshen's companies owe hundreds of millions of dollars to the Funds. McCoshen was also involved in loans Bridging made from the Funds to First Nations communities, including Peguis First Nation (**Peguis**).

17. Between December 11, 2015, and February 23, 2021, Bridging's Credit Committee approved loans totalling more than \$145 million from the Funds to A2A. Most of this money was actually advanced to another McCoshen owned and controlled company, 7047747 Manitoba Ltd. (**704 Manitoba**). Another \$10 million, from a loan from the Funds to a Gautam-related company, was advanced to 704 Manitoba in November 2018. 704 Manitoba and another McCoshen owned and controlled company were also paid commissions of \$2.24 million and \$1.91 million, respectively, by Peguis in connection with two \$30 million loans Bridging made from the Funds to Peguis in 2017.

18. In turn, McCoshen and 704 Manitoba funnelled approximately \$19.5 million of these funds back to David Sharpe through 14 transfers between 2016 and 2019 (the **Secret Payments**).

19. Most of the Secret Payments were made to David Sharpe's personal chequing account just days after McCoshen or one of his companies received amounts that originated from the Funds.

20. David Sharpe used the Secret Payments for his and Natasha Sharpe's personal benefit:

a) \$11.7 million was transferred to investment accounts at BMO Nesbitt Burns and Richardson GMP held by David Sharpe and the 182 Crescent Road Trust (the Sharpes settled and are beneficiaries under this trust);

b) \$228,000 was used for automobile expenses including \$127,880 to Tesla Motors and \$99,923 to Holand Leasing relating to lease payments on two Bentleys;

c) \$2 million was transferred to personal bank accounts David Sharpe maintained at TD; and

d) \$1.9 million was used to pay for construction on the Sharpe's personal property.

Additionally, \$830,000 of the Secret Payments was transferred to educational institutions or foundations, \$440,000 was paid to other Bridging employees, including \$180,000 to Mushore, and \$670,000 was withdrawn in cash.

21. Finally, in addition to the Secret Payments, Natasha Sharpe received \$250,000 of Investors' money from 704 Manitoba in September 2017.

22. Despite the clear conflicts of interest, the Secret Payments, the \$180,000 payment to Mushore and the \$250,000 received by Natasha Sharpe were not disclosed to Investors.

(b) The Sharpes Misappropriated \$40 million from Investors for Bridging's Benefit (Gautam Loans)

23. In September 2018, the Sharpes, with Mushore's knowledge, misappropriated approximately \$40 million from the Bridging Mid-Market Debt Fund LP (the **MM Fund**) to complete an acquisition for Bridging's and, ultimately, Natasha Sharpe's benefit. The Sharpes and Mushore attempted to hide this by falsely representing that the funds came from a loan from one of Gautam's companies.

24. Prior to October 2018, Bridging co-managed the Bridging Income Fund LP (the **Income Fund**), then named the Sprott Bridging Income Fund LP, with Ninepoint Partners LP (**Ninepoint**). Bridging made all investment management decisions in relation to the Income Fund.

25. In August 2018, Bridging agreed to purchase Ninepoint's management interest in the Income Fund (the **Management Interest**) for \$45 million, including \$35 million cash at closing. However, financing for the acquisition was required.

26. It would be contrary to Ontario securities law and a conflict of interest for Bridging to borrow from the MM Fund to fund the Management Interest acquisition. However, this is exactly what the Sharpes and Mushore engineered. The Sharpes convinced Gautam to help them funnel Investors' funds from the MM Fund to Bridging through two entities Gautam controlled: 3319891 Nova Scotia Company (**331 Nova Scotia**) and River Cities Investments I, LLC (**River Cities**). The plan called for a back-to-back loan, with Bridging loaning amounts from the Funds to River Cities, and then 331 Nova Scotia loaning most of those same funds back to Bridging.

27. To obtain approval to transfer Investors' funds out of the MM Fund, the Sharpes and Mushore had the Credit Committee approve a \$39.75 million loan to River Cities, with \$36.75 million purportedly being for working capital needs and general corporate purposes. After the Credit Committee approved the loan on that basis, David Sharpe and Mushore, with others, created a false record purporting to show that the Credit Committee was told that the River Cities loan could ultimately finance the Management Interest purchase.

28. Even though Bridging had signed an agreement to borrow from 331 Nova Scotia, in fact, no funds were ever sent to or received from 331 Nova Scotia. Bridging simply transferred \$38 million from the MM Fund to River Cities' counsel, who then transferred \$35 million to Ninepoint and \$3 million to River Cities. Bridging even paid itself a \$450,000 work fee with Investors' money in connection with the transaction.

29. The Sharpes manipulated documents to perpetuate the false narrative that Bridging had borrowed funds from 331 Nova Scotia to purchase the Management Interest. For example, when Bridging obtained a loan from a BlackRock Inc. affiliate (the **BlackRock Loan**) in November 2019, David Sharpe directed Bridging personnel to manipulate records to indicate that Bridging used the BlackRock Loan to repay 331 Nova Scotia. In reality, Bridging used \$32 million from the BlackRock Loan to repay the MM Fund.

30. However, this still left a shortfall in the MM Fund that had grown to approximately \$6.8 million by late February 2020. To clear this final balance, Bridging papered a \$12,827,394 loan from the MM Fund to A2A dated February 24, 2020, but only advanced \$6 million from the MM Fund under the loan. In essence, Bridging simply made an accounting entry that treated \$6.8 million that Bridging misappropriated from the MM Fund as an outstanding liability of A2A.

31. It was not disclosed to MM Fund Investors that Bridging used Investors' funds to acquire the Management Interest despite the clear conflict of interest. To the contrary, the Sharpes directed Bridging personnel to falsify Bridging's records to conceal the true source of the funds that Bridging used to acquire the Management Interest in the Income Fund.

(c) The Sharpes Covertly Facilitated the use of Investor Funds to Purchase Bridging Shares and Make Secret Loans to a Bridging Shareholder (Ng Loans)

Investor Funds are used to Purchase Bridging Shares

32. In June 2019, the Sharpes pushed a \$32 million loan from the Funds to an Ng owned and controlled company through the Credit Committee. At that time, Ng had contractually committed to buy 50% of Bridging for \$50 million. The Sharpes knew or ought to have known the loan would be used by Ng to purchase 50% of Bridging's shares from the existing Bridging shareholders, including Natasha Sharpe.

33. With the Sharpes and Mushore's knowledge and approval, Bridging began making loans from the Funds to companies owned and controlled by Ng (**Ng Companies**) in March 2018. In or around November 2018, David Sharpe began leading negotiations for Ng to purchase 50% of Bridging (the **Ng Acquisition**).

34. Ng filed a Notice relating to the Ng Acquisition (the **11.9 Notice**) with the Commission¹ on or around April 29, 2019. The 11.9 Notice stated that the Ng Acquisition would not give rise to any material conflicts of interest and did not disclose that, at the time, Bridging had loaned approximately \$42 million from the Funds to Ng Companies, including \$21 million to 10029947 Manitoba Ltd. (**1002 Manitoba**). The 11.9 Notice included a verification, signed by David Sharpe on behalf of Bridging, that confirmed the truth of the facts in the 11.9 Notice.

¹ Under Ontario securities law, an 11.9 Notice must include all material facts sufficient to enable the Commission to determine if an acquisition is likely to give rise to a conflict of interest.

35. On May 13, 2019, the Credit Committee, including the Sharpes and Mushore, approved a further \$10 million loan from the Funds to 1002 Manitoba.

36. The Bridging shareholders, Bridging, and David Sharpe as “vendors representative”, executed a share purchase agreement (the **Ng Acquisition Agreement**) with Ng on May 16, 2019. The Ng Acquisition Agreement called for Ng to buy 50% of Bridging from the Bridging shareholders, including Natasha Sharpe, for \$50 million in cash.

37. On or around June 20, 2019, the Sharpes directed a Bridging employee to prepare documents for the Credit Committee (the **Credit Committee Submission**) to consider and approve a loan to 10034889 Manitoba Ltd. (**1003 Manitoba**), ostensibly for 1003 Manitoba to purchase “Commercial Real Estate Developers in Canada.”

38. The Sharpes did not tell the Credit Committee and the Credit Committee Submission prepared under their direction did not disclose that 1003 Manitoba was wholly owned by Ng nor that the Ng Acquisition Agreement had been signed.

39. The Sharpes, as Credit Committee members, approved a \$32 million loan from the Funds to 1003 Manitoba on June 21, 2019 (the **June Loan**).

40. According to the Credit Committee Submission, the security provided by 1003 Manitoba in respect of the June Loan was a securities investment account purportedly held by 1003 Manitoba (the **Investment Account**) worth approximately \$90 million.

41. Despite the clear conflict of interest, Bridging and the Sharpes made the June Loan. Furthermore, Bridging and the Sharpes did not disclose the following clear conflicts of interest to Investors: (i) Bridging loaned approximately \$50 million from the Funds to Ng Companies while Ng was negotiating to buy half of Bridging; (ii) Bridging loaned 1003 Manitoba \$32 million after the Ng Acquisition Agreement was signed; and (iii) Ng intended to use the June Loan to fund the Ng Acquisition.

42. On July 8, 2019, the Ng Acquisition closed and Ng bought 50% of Bridging for \$50 million, using \$30 million that he borrowed from the Funds under the June Loan. As a result of the Ng Acquisition, Natasha Sharpe received Investors’ money for her Bridging shares.

Loans to Ng Companies after Ng became Bridging's largest shareholder

43. In August 2019, the Sharpes orchestrated a second \$35 million payment to 1003 Manitoba (the **August Advance**), despite the fact that Ng was, at that time, Bridging's largest shareholder. The August Advance was made in secret and was not approved by the Credit Committee.

44. At the end of July 2019, Ng asked the Sharpes to "upsized" the June Loan with an additional \$35 million "as soon as possible." Shortly afterwards, Natasha Sharpe fraudulently altered loan documents relating to the June Loan so that it appeared that the June Loan, as approved in June 2019 before the Ng Acquisition, included a potential second advance of up to \$35 million.

45. Bridging also made two additional loans from the Funds to 1002 Manitoba while Ng was Bridging's largest shareholder: a \$2 million loan in October 2019 (the **October 2019 Loan**) approved by both Sharpes and Mushore, and a \$10 million loan from the MM Fund in February 2020 (the **February 2020 Loan**) approved by both Sharpes.

Ng secretly pays \$1 million to the Sharpes

46. In November 2019, David and Natasha Sharpe each received a \$500,000 payment from Ng. Neither payment served any legitimate commercial purpose and neither payment was disclosed to Investors despite the clear conflict of interest.

The Sharpes conceal the truth about their and Bridging's relationship with Ng

47. The Sharpes actively sought to conceal that Bridging made loans from the Funds to Ng after he became Bridging's largest shareholder. For example, the Income Fund and MM Fund's audited financial statements for the year ending December 31, 2019 (together, the **2019 Financial Statements**) both disclose the loans to the Ng Companies, including the August Advance, as having been made to "certain entities related to a shareholder of the Advisor". The 2019 Financial Statements state that the Credit Committee approved the loans in the ordinary course of business and that no further loans were made after Ng became a shareholder of Bridging. Both of these statements are untrue.

48. The Sharpes both signed the Income Fund's 2019 Financial Statements on behalf of the Income Fund's general partner, and Natasha Sharpe was a director of the MM Fund's general partner when the MM Fund's 2019 Financial Statements were issued. David Sharpe and Mushore

sent a letter to the Funds' auditor dated April 1, 2020, representing to the auditor that, among other things, all information about transactions with related parties had been provided.

49. As noted above, the Investment Account, which Ng represented was worth approximately \$90 million, was Bridging's security for the June Loan and the fraudulent August Advance.

50. In late February 2020, the Sharpes discovered that Ng had lied about the Investment Account and that it did not actually exist. Despite knowing this in February 2020, the Sharpes provided false information to the Funds' auditor about the status of the 1003 Manitoba loans during the Funds' 2019 audit in March 2020. Specifically, David Sharpe and Mushore approved a year-end memo prepared in late March 2020 relating to the 1003 Manitoba loans (the **1003 Memo**). The 1003 Memo purported to confirm for the auditor that as of December 31, 2019, the 1003 Manitoba loan was secured by the Investment Account worth approximately \$90 million and was "in good standing and performing within the lending parameters as set out in the Credit Agreement."

51. The 1003 Memo was signed by Natasha Sharpe and was provided by Bridging personnel to the Funds' auditor.

Obstruction of Staff's Investigation

52. To conceal the wrongdoing described above, the Sharpes and Mushore attempted to obstruct Staff's investigation in various ways:

- a) The Sharpes and Mushore made false and misleading statements, or did not state facts that were necessary to make their statements not misleading, during compelled examinations with Staff;
- b) The Sharpes, Mushore and others under the direction of the Sharpes and/or Mushore, created false paper trails by altering or deleting Bridging records or concealing such records from Staff;
- c) David Sharpe attempted to intimidate witnesses who were cooperating with Staff's investigation; and
- d) Natasha Sharpe unlawfully permitted David Sharpe to listen to her compelled examination with Staff.

(a) *Misleading Staff in Examinations*

53. As set out below, the Sharpes and Mushore made false and misleading statements to Staff or did not state facts that were necessary to make their statements not misleading.

54. David Sharpe:

- a) told Staff that he was not aware of the back-to-back loan arrangement with Gautam for the Management Interest purchase or of River Cities' involvement in the back-to-back loans;
- b) repeated the falsehood that Bridging financed the Management Interest purchase with a loan from 331 Nova Scotia, and told Staff that Gautam's former Goldman Sachs colleagues provided the funds to 331 Nova Scotia to make the loan to Bridging;
- c) told Staff that Bridging repaid 331 Nova Scotia with the proceeds of the BlackRock Loan;
- d) told Staff he did not have any relationships with any Bridging borrowers, or their officers, directors or shareholders, that could be perceived as creating a potential conflict of interest;
- e) denied receiving the Secret Payments from McCoshen;
- f) told Staff that Bridging made the August Advance to 1003 Manitoba pursuant to a "contractual obligation";
- g) told Staff the June Loan and August Advance were for Ng to purchase real estate in Hong Kong; and
- h) failed to tell Staff about the October 2019 Loan, the February 2020 Loan, or the \$500,000 he received from Ng in November 2019.

55. Natasha Sharpe told Staff that:

- a) Bridging approved a \$67 million loan to 1003 Manitoba in June 2019 for Ng to purchase real estate in Hong Kong;
- b) she did not know how Gautam funded 331 Nova Scotia's purported loan to Bridging;

- c) she was not aware of certain transactions involving Ng, including the October 2019 Loan, the February 2020 Loan, and the \$500,000 she received from Ng in November 2019; and
- d) she drafted the 1003 Memo before she learned that the Investment Account did not exist.

56. Mushore told Staff that:

- a) Bridging borrowed \$35 million from 331 Nova Scotia to complete its acquisition of Ninepoint's Management Interest; and
- b) Bridging approved a \$67 million loan to 1003 Manitoba in June 2019 and that he remembered reviewing a falsified Credit Committee Submission at that time even though at that point it did not exist.

(b) Alteration, Exclusion and Destruction of Records

57. The Sharpes and Mushore instructed Bridging employees to falsely alter or exclude documents responsive to Staff's compelled document demands, and to destroy others. Bridging personnel carried out their instructions. Consequently, the documentary record and representations about that record provided to Staff were materially misleading or untrue and were incomplete.

58. Specific examples of alteration, exclusion and/or destruction of records include the following:

- a) David Sharpe and Mushore directed a Bridging portfolio manager to work with Bridging's third-party IT service provider to delete emails from Bridging's records based on identified search terms relating to the issues in Staff's investigation, such as "River cities", "7047747" and "Sean McCoshen". Over 34,000 emails were deleted from Bridging's records between October 2020 and December 2020;
- b) David Sharpe instructed Mushore and others to alter A2A loan documents in Bridging's files to falsely reflect that A2A, rather than 704 Manitoba, actually received loan proceeds from the Funds;

- c) David Sharpe directed and ensured that no records relating to the River Cities loan would be provided to Staff, and he and Mushore instructed others to remove the River Cities loan from schedules listing all Fund loans that were provided to Staff;
- d) David Sharpe instructed Mushore to alter Bridging's policies and procedures manual before it was produced to Staff to omit references to the Credit Committee approving loans by email. David Sharpe also instructed Mushore to not produce Credit Committee members' loan approval emails to Staff, and instructed others to remove a column from a spreadsheet that listed which members voted to approve specific loans;
- e) When Staff demanded that Bridging produce the Credit Committee Submission for the June Loan to 1003 Manitoba, David Sharpe instructed Mushore to alter the actual Credit Committee Submission so that the version produced to Staff was consistent with the false assertion that the Credit Committee had approved the fraudulent August Advance;
- f) David Sharpe and Mushore directed a Bridging portfolio manager to alter Bridging accounting records to delete the October 2019 Loan before the records were produced to Staff; and
- g) Natasha Sharpe and Mushore, with David Sharpe's knowledge, attempted to cover up the February 2020 Loan. Natasha Sharpe concocted a story that the February 2020 Loan was an "advance dividend" payable from Bridging to Ng. In February 2020, Natasha Sharpe instructed Mushore to work with Bridging's accounting team to have Bridging "repay" the February 2020 Loan from the MM Fund with corporate funds and to falsify accounting records to be consistent with this false narrative.

(c) *Intimidating Witnesses*

59. In June and July 2021, while Staff's investigation was ongoing, David Sharpe sent intimidating texts and voicemails to Bridging employees, including Mushore. David Sharpe knew that these individuals were likely to be interviewed by Staff given the information they possessed. These profanity-laden communications contained disparaging insults and threats of physical violence.

(d) *Improper Disclosure of Compelled Information*

60. Natasha Sharpe unlawfully, and without disclosure to Staff, permitted David Sharpe to listen in to her compelled examination with Staff in October 2020.

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

61. Staff alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest:

- a) By engaging in the conduct described in paragraphs 14 to 51, Bridging, David Sharpe and Natasha Sharpe directly or indirectly engaged in or participated in acts, practices, or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(1)(b) of the Act;
- b) By engaging in the conduct described in paragraphs 23 to 31, Mushore directly or indirectly engaged in or participated in acts, practices, or courses of conduct relating to securities that he knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(1)(b) of the Act;
- c) By engaging in the conduct described in paragraphs 14 to 51, Bridging, David Sharpe, Natasha Sharpe and Mushore failed to comply with Ontario securities law relating to conflicts of interest, including section 13.4 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, contrary to section 32(1)(g) of the Act;
- d) By engaging in the conduct described in paragraph 34, Bridging and David Sharpe made statements in materials, evidence or information submitted to the Commission which were, in a material respect and at the time and in the light of the circumstances under which they were made, misleading or untrue or did not state facts that were required to be stated or that are necessary to make the statements not misleading contrary to the prohibition in section 122(1)(a) of the Act and, thereby failed to comply

with Ontario securities law and it is in the public interest to issue an order pursuant to section 127 of the Act;

- e) By engaging in the conduct described in paragraphs 52 to 58, each of Bridging (paragraphs 57 and 58), David Sharpe (paragraphs 52, 54, 57 and 58), Natasha Sharpe (paragraphs 52, 55, 57 and 58) and Mushore (paragraphs 52 and 56 to 58), made statements in materials, evidence or information submitted to Staff appointed to make an investigation under the Act which were, in a material respect and at the time and in the light of the circumstances under which they were made, misleading or untrue or did not state facts that were required to be stated or that are necessary to make the statements not misleading contrary to the prohibition in section 122(1)(a) of the Act and, thereby, failed to comply with Ontario securities law and it is in the public interest to issue an order pursuant to section 127 of the Act;
- f) By engaging in the conduct described in paragraph 60, Natasha Sharpe disclosed questions asked and testimony given under section 13 of the Act contrary to section 16(1)(b) of the Act;
- g) David Sharpe, Natasha Sharpe and Mushore authorized, permitted or acquiesced in Bridging's non-compliance with Ontario securities law, contrary to section 129.2 of the Act; and
- h) By engaging in the conduct described in paragraphs 52 to 60, each of Bridging (paragraphs 57 and 58), David Sharpe (paragraphs 52, 54 and 57 to 60), Natasha Sharpe (paragraphs 52, 55, 57, 58 and 60) and Mushore (paragraphs 52 and 56 to 58), engaged in conduct such that it is in the public interest for the Commission to issue an order under section 127 of the Act.

62. Staff reserves the right to amend these allegations and to make such further and other allegations as Enforcement Staff may advise and the Commission may permit.

D. ORDER SOUGHT

63. Staff requests that the Commission make the following orders:

- a) that trading in any securities or derivatives by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- b) that the Respondents be prohibited from acquiring any securities permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- c) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
- d) that David Sharpe, Natasha Sharpe and Mushore resign one or more positions that he or she holds as a director or officer of any issuer, registrant or investment fund manager pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- e) that David Sharpe, Natasha Sharpe and Mushore be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- f) that David Sharpe, Natasha Sharpe and Mushore be prohibited from becoming or acting as a registrant, investment fund manager or promoter permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- g) that David Sharpe, Natasha Sharpe and Mushore each pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
- h) that David Sharpe, Natasha Sharpe and Mushore disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

- i) that the David Sharpe, Natasha Sharpe and Mushore pay costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
- j) such other order as the Commission considers appropriate in the public interest.

DATE: March 31, 2022

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