

IN THE MATTER OF
ROBERT GEORGE FREEMAN
THE ONTARIO SECURITIES COMMISSION

- and -

ROBERT GEORGE FREEMAN

**APPLICATION FOR EXTENSION OF TEMPORARY ORDER
OF THE ONTARIO SECURITIES COMMISSION**

(For Extension of a Temporary Order Under Subsections 127(1) and 127(7)
of the *Securities Act*, RSO 1990 c S.5)

A. ORDER SOUGHT

The Applicant, the Ontario Securities Commission (the **Commission**), requests that the Capital Markets Tribunal (the **Tribunal**) make the following orders:

1. An Order extending the Temporary Order of the Commission dated July 29, 2024 (**Temporary Order**) made with respect to Robert George Freeman (**Freeman**) for six months, until February 13, 2025, or for such other period as the Tribunal considers necessary if satisfactory information is not provided to the Tribunal within the fifteen-day period pursuant to s. 127(8) of the *Securities Act*, RSO 1990, c S.5 (the **Act**); and
2. Such other Order as the Tribunal considers appropriate in the public interest.

B. GROUNDS

The grounds for the request are:

1. In or around April 2023, the Enforcement Division (**Enforcement**) commenced an investigation into the sales of the shares of a company called Qu Biologics Inc. (**QBI**), a B.C.-based biotechnology company, by an individual, Robert George Freeman (**Freeman**).
2. Freeman is a resident of Ontario and a shareholder of QBI.
3. During the course of the investigation, Enforcement has found evidence that:

- (a) From 2007 to 2023, Freeman acquired approximately 5.9 million shares of QBI either directly or indirectly, through his corporations, Robco Limited and Plover Mills Farms Inc.
- (b) QBI is not a reporting issuer and has not filed a prospectus with the Commission. Freeman is not registered with the Commission in any capacity.
- (c) From November 26, 2007 to at least June 28, 2024, Freeman sold approximately 3.1 million of his approximately 5.9 million shares in QBI to approximately 223 investors in Ontario on a near-continuous basis.
- (d) For approximately 32 investors, Freeman arranged for investors to receive QBI share certificates when they purchased his shares. For the remaining investors, Freeman provided “signed letters”, also known as trust agreements as evidence of the share purchase. Among other things, in the trust agreements, Freeman acknowledges receipt of payment for the shares and that he continues to hold the QBI shares in trust for the investor.
- (e) In addition to the acts in furtherance of trades set out in (d) above, Freeman sent newsletters to investors in which he promoted the achievements of QBI, advised on the expected timeline for returns on investments in QBI and solicited investors to purchase more QBI shares.
- (f) In some of these newsletters, Freeman misrepresented to investors that other “long time” investors were seeking to sell their shares. Freeman has admitted that there are no other investors who were selling their shares and that Freeman sold his own shares after soliciting investors in this manner.
- (g) Although Freeman claims that some of the investors could validly qualify for either the accredited investor or private issuer exemption from the prospectus requirement, Freeman did not conduct a factual inquiry into the financial status of the investors.

- (h) At least 7 investors contacted by Enforcement do not appear to be accredited investors. At least 5 of those investors did not consider Freeman to be a social friend prior to their first purchase of Freeman's QBI shares.
 - (i) During the course of the investigation, Freeman has continued to sell his QBI shares. Freeman has told Enforcement that he will continue to sell his QBI shares.
4. During the course of the investigation, the Commission found evidence that Freeman may have:
- (a) engaged in the business of trading in securities without registration contrary to subsection 25(1) of the Act;
 - (b) distributed securities without filing a prospectus, contrary to subsection 53(1); and
 - (c) made statements that he knew, or reasonably ought to know, were in a material respect misleading or untrue, contrary to section 126.2(1) of the Act.
5. On July 29, 2024, the Commission issued the Temporary Order.
6. The Temporary Order provided that:
- (a) all trading in the securities of QBI by Freeman, directly or indirectly, or by any person on behalf of Freeman shall cease, including but not limited to any act, advertisement, solicitation, conduct, or negotiation, directly or indirectly in furtherance of a trade;
 - (b) any exemptions contained in Ontario securities law do not apply to Freeman; and
 - (c) the Temporary Order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Capital Markets Tribunal.
7. The investigation into the conduct described in the Temporary Order and this Application is continuing;

8. The Order sought by the Commission is necessary to protect investors from serious and ongoing harm and is in the public interest;
9. Subsections 127(1) and 127(8) of the Act; and
10. Such further grounds as counsel may advise and the Tribunal may permit.

C. EVIDENCE

The Applicant intends to rely on the following evidence at the hearing:

1. The Affidavit of Jody Sikora, to be filed;
2. Such further evidence as counsel may advise and the Tribunal may permit.

Date: August 1, 2024

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Sakina Babwani
Litigation Counsel

Email: sbabwani@osc.gov.on.ca
Tel: (416) 263-3763