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## Securities Commission

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**May 10, 2022**

### **Settlement Agreement Approved for Orthogenic Technologies Inc.**

**Halifax** – The Nova Scotia Securities Commission has approved a settlement agreement with Orthogenic Technologies Inc. (O-Tech). O-Tech is an orthotic product development company located in the Province of Ontario. O-Tech is not a reporting issuer in any Canadian jurisdiction.

Between January and August 2018, O-Tech distributed securities to six Nova Scotian investors while relying on exemptions to requirements under Nova Scotia securities laws to prepare, file, and deliver a prospectus. Three of the Nova Scotian investors were not exempt. O-Tech did not file reports of exempt distributions with the Commission for the three exempt distributions. Distributing securities without filing a prospectus and without relying on exemptions, and failures to file applicable reports of exempt distributions are violation of securities laws.

In July of 2018, O-Tech provided promotional materials to a prospective Nova Scotian investor containing representations that O-Tech would begin the process for an Initial Public Offering to publicly list its common shares on the Canadian Securities Exchange. Making representations that securities or derivatives will be listed on an exchange without approval is a violation of Nova Scotia securities laws.

O-Tech admitted to violations of securities laws and accepted responsibility for their conduct. They had no prior violations of Nova Scotia securities laws, and their violations were not deliberate.

“It is imperative that capital market participants inform themselves of applicable securities laws and regulations and ensure proper compliance before attempting to raise capital from investors.” said Ibrahim Badawi, Enforcement Counsel for the Commission. “A lack of awareness regarding regulatory requirements is not a defence to violations of securities laws. Proper due diligence in this regard protects both investors and capital market participants.”

The Commission approved the settlement agreement and ordered that O-Tech:

- be reprimanded;
- comply with Nova Scotia securities laws;
- be prohibited from relying on exemptions contained in Nova Scotia securities laws for three years;
- pay an administrative penalty of \$25,000.00; and
- pay costs in connection with the investigation and conduct of the proceeding in the amount of \$1,500.

For the complete [settlement agreement and order](#), please visit the Commission [website](#).

The Nova Scotia Securities Commission is the provincial government agency responsible for regulating trading in securities and derivatives in the province.

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