The Ontario Securities Commission

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December 7, 2007

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Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

DECEMBER 07, 2007

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

December 7, 2007 10:00 a.m.	**XI Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
December 10, 2007 10:00 a.m.	**Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans** s. 127 & 127(1) J. Corelli in attendance for Staff Panel: WSW/DLK/KJK
December 11, 2007 2:30 p.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: LER/MCH
December 14, 2007 10:00 a.m.	**Saxon Financial Services, Saxon Consultants, Ltd., International Monetary Services, FXBridge Technology, Meisner Corporation, Merchant Capital Markets, S.A., Merchant Capital Markets, MerchantMarx et al** s. 127(1) & (5) S. Horgan in attendance for Staff Panel: JEAT/CSP

December 18, 2007 10:00 a.m.	**Al-Tar Energy Corp., Alberta Energy Corp., Eric O'Brien, Bill Daniels, Bill Jakes, John Andrews, Julian Sylvester, Michael N. Whale, James S. Lushington, Ian W. Small, Tim Burton and Jim Hennesy** s. 127(1) & (5) S. Horgan in attendance for Staff Panel: RLS/ST
January 7, 2008 10:00 a.m.	***Philip Services Corp. and Robert Waxman** s. 127 K. Manarin/M. Adams in attendance for Staff Panel: JEAT/MCH Colin Soule settled November 25, 2005 Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey and John Woodcroft settled March 3, 2006 * Notice of Withdrawal issued April 26, 2007
January 11, 2008 10:00 a.m.	**Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: WSW/DLK
January 16, 2008 10:00 a.m.	**Jose Castaneda** s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/ST
January 22, 2008 2:30 p.m.	**Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia** s. 127 S. Horgan in attendance for Staff Panel: JEAT
January 22, 2008 3:00 p.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 & 127.1 J. S. Angus in attendance for Staff Panel: JEAT/ST
February 14, 2008 10:00 a.m.	**Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman** s. 127 H. Craig in attendance for Staff Panel: PJL/ST
March 4, 2008 2:30 p.m.	**Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Wi-Fi Framework Corporation, Bryan Bowles, Steven Johnson, Frank R. Kaplan and George Sutton** s. 127 C. Price in attendance for Staff Panel: TBA
March 31, 2008 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA

April 2, 2008 10:00 a.m.	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
April 7, 2008 2:30 p.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 I. Smith in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s.127 P. Foy in attendance for Staff Panel: WSW/DLK
June 24, 2008 2:30 p.m.	**David Watson, Nathan Rogers, Amy Giles, John Sparrow, Leasesmart, Inc., Advanced Growing Systems, Inc., The Bighub.com, Inc., Pharm Control Ltd., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co.** s. 127 and 127.1 P. Foy in attendance for Staff Panel: TBA
November 3, 2008 10:00 a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 E. Cole in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s.127 K. Daniels in attendance for Staff Panel: TBA

TBA **Shane Suman and Monie Rahman**

s. 127 & 127(1)

K. Daniels in attendance for Staff

Panel: TBA

TBA **Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin**

s. 127

S. Horgan in attendance for Staff

Panel: TBA

TBA **Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels**

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: JEAT/ST

TBA **Stanton De Freitas**

s. 127 and 127.1

P. Foy in attendance for Staff

Panel: JEAT/ST

TBA **Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony**

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: JEAT

TBA **FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun**

s. 127

M. Mackewn in attendance for Staff

Panel: RLS/ST

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

Andrew Stuart Netherwood Rankin

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

Euston Capital Corporation and George Schwartz

1.2 Notices of Hearing

1.2.1 XI Biofuels Inc. et al. - s. 127

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
XI BIOFUELS INC., BIOMAXX SYSTEMS INC.,
RONALD DAVID CROWE
AND VERNON P. SMITH

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, at the offices of the Ontario Securities Commission, 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario on December 7, 2007 at 10:00 a.m., or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to section 127 of the Act, it is in the public interest for the Commission:

(a) pursuant to s. 127(7), to extend the temporary order made November 22, 2007 until the final disposition of this matter or until the Commission considers appropriate; and

(b) to make such other order as the Commission considers appropriate.

BY REASON OF the allegations of Staff that the above named Respondents contravened ss. 25, 38 or 53 of the Act and such additional reasons as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this "22nd" day of November, 2007

"John Stevenson"
Secretary to the Commission

1.3 News Releases

1.3.1 Trial of Mr. Barry Landen and Stephen Diamond Adjourned Until Future Date

FOR IMMEDIATE RELEASE
November 29, 2007

TRIAL OF MR. BARRY LANDEN AND STEPHEN DIAMOND ADJOURNED UNTIL FUTURE DATE

TORONTO - On November 22, 2007, the trial of Mr. Barry Landen and Mr. Stephen Diamond was adjourned at Mr. Landen's request. The next appearance before the Ontario Court of Justice will be on December 10, 2007 at the Old City Hall, 60 Queen Street West, Toronto to discuss future trial dates.

Copies of Appendix A to the Information respecting charges against Barry Landen and Stephen Diamond are available on the OSC website at **www.osc.gov.on.ca**.

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1.4 Notices from the Office of the Secretary

1.4.1 Land Banc of Canada Inc. et al.

FOR IMMEDIATE RELEASE
December 3, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN, MARCO LORENTI,
AND STEPHEN ZEFF FREEDMAN

TORONTO – The Commission issued an Order today continuing the Temporary Order of May 17, 2007, until February 14, 2008 against LBC, Midland, Dolan and Lorenti with certain amendments with respect to Dolan and Lorenti.

A copy of the Order dated December 3, 2007 is available at **www.osc.gov.on.ca**.

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1.4.2 John Alexander Cornwall et al.

FOR IMMEDIATE RELEASE
December 3, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
JOHN ALEXANDER CORNWALL,
KATHRYN A. COOK, DAVID SIMPSON,
JEROME STANISLAUS XAVIER,
CGC FINANCIAL SERVICES INC. AND
FIRST FINANCIAL SERVICES

TORONTO – Following a hearing held on February 21-23, 2007, April 23-25 and May 23-24, 2007, the Commission issued its Reasons and Decision in the above noted matter.

A copy of the Reasons and Decision is available at **www.osc.gov.on.ca**.

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1.4.3 Sunwide Finance Inc. et al.

FOR IMMEDIATE RELEASE
December 3, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
SUNWIDE FINANCE INC., SUN WIDE GROUP, SUN WIDE GROUP FINANCIAL INSURERS & UNDERWRITERS, WI-FI FRAMEWORK CORPORATION, BRYAN BOWLES, STEVEN JOHNSON, FRANK R. KAPLAN, AND GEORGE SUTTON

TORONTO – Following a hearing held today, the Commission issued an Order extending the Temporary Order of November 19, 2007 to March 4, 2008.

This matter is set to return before the Commission on March 4, 2008 at 2:30 p.m.

A copy of the Order dated December 3, 2007 is available at **www.osc.gov.on.ca**.

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1.4.4 Stanton De Freitas

FOR IMMEDIATE RELEASE
December 3, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
STANTON DE FREITAS

TORONTO – Following a hearing held on November 29, 2007 in the above noted matter, the Commission ordered that:

1. the hearing to extend the Temporary Orders, as modified, is adjourned until December 4, 2007 at 10:00 a.m.; and

2. pursuant to subsection 127 (8) of the Act, the Temporary Order, as modified, is extended until the conclusion of the hearing to extend the Temporary Orders or until further order of the Commission.

A copy of the Order is available at **www.osc.gov.on.ca**.

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1.4.5 David Watson et al.

FOR IMMEDIATE RELEASE
December 3, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
DAVID WATSON, NATHAN ROGERS, AMY GILES, JOHN SPARROW, LEASESMART, INC., ADVANCED GROWING SYSTEMS, INC. (a Florida corporation), PHARM CONTROL LTD., THE BIGHUB.COM, INC,, UNIVERSAL SEISMIC ASSOCIATES INC., POCKETOP CORPORATION, ASIA TELECOM LTD., INTERNATIONAL ENERGY LTD., CAMBRIDGE RESOURCES CORPORATION, NUTRIONE CORPORATION AND SELECT AMERICAN TRANSFER CO.

TORONTO – Following a hearing held on November 29, 2007 in the above noted matter, the Commission ordered that:

1. the hearing to extend the Temporary Orders, as modified, is adjourned against all of the respondents except Pharm Control until June 24, 2008 at 2:30 p.m.;

2. pursuant to subsection 127 (8) of the Act, the Temporary Orders, as modified, are extended against all of the respondents except Pharm Control until June 24, 2008 or until further order of the Commission, provided that any party may, on 14 days notice, seek to vary the order pursuant to section 144 of the Act;

3. the hearing to extend the Temporary Orders, as modified, is adjourned for Pharm Control until December 4, 2007 at 10:00 a.m.; and

4. pursuant to subsection 127(8) of the Act, the Temporary Orders, as modified, are extended against Pharm Control until December 4, 2007 at 10:00 a.m.

A copy of the Order dated November 29, 2007 is available at **www.osc.gov.on.ca**.

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1.4.6 XI Biofuels Inc. et al.

FOR IMMEDIATE RELEASE
December 3, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
XI BIOFUELS INC., BIOMAXX SYSTEMS INC.,
RONALD DAVID CROWE
AND VERNON P. SMITH

TORONTO – The Office of the Secretary issued a Notice of Hearing on November 22, 2007, scheduling the hearing in the above named matter to commence on December 7, 2007 at 10:00 a.m.

A copy of the Temporary Order and Notice of Hearing are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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1.4.7 Rex Diamond Mining Corporation et al.

FOR IMMEDIATE RELEASE
December 4, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
REX DIAMOND MINING CORPORATION,
SERGE MULLER AND BENOIT HOLEMANS

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations dated December 4, 2007 with the Office of the Secretary in the above noted matter.

A copy of the Amended Statement of Allegations dated December 4, 2007 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
REX DIAMOND MINING CORPORATION
SERGE MULLER AND BENOIT HOLEMANS

AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

I. BACKGROUND

The Respondents

1. Rex Diamond Mining Corporation ("Rex") was established under the *Business Corporations Act* (Ontario) by Articles of Amalgamation dated September 14, 1995. Rex was continued under the *Business Corporations Act* (Yukon) on July 31, 2000. Rex is a reporting issuer in Ontario with its shares listed on the TSX. Rex is based in Antwerp, Belgium.

2. Serge Muller ("Muller") is the President, Chief Executive Officer and a director of Rex. Muller is a Belgian citizen who resides in Zurich, Switzerland.

3. Benoit Holemans ("Holemans") is the Chief Financial Officer of Rex. Holemans is a Belgian citizen who resides in Antwerp, Belgium.

The Sierra Leone Mining Leases

4. In February 1994, the Government of Sierra Leone (the "Government") granted Rex Diamond Mining Company NV, a wholly-owned subsidiary of Rex, mining leases with respect to property located in the Pujehun District, Sierra Leone (the "Tongo Lease") and property located in the Kono District, Sierra Leone (the "Zimmi Lease") (collectively, the "Leases").

II. DISCLOSURE

Failure to Disclose Risk of Cancellation of Leases

5. By letter dated January 3, 2003 from the Government to Rex, the Government advised Rex that it had breached the terms of the Leases and that "the Minerals Advisory Board has recommended to the Minister of Mineral Resources that your two leases in Pujehun ML 9/94 and Tongo ML 10/94 be terminated."

6. By letter dated April 16, 2003 from the Government to Rex, the Government advised Rex that the Leases were not in good standing. The Government stated:

> … the Rex Mining Corporation has definitely contravened Section 100(1) & (2) of the Mining and Minerals Act, a situation this Ministry and indeed Cabinet will not entertain much longer. …
>
> You are therefore advised in your Company's interest to honour your financial obligation without further delay in order to avoid any unpleasant decisions that Government may take to redress the situation.

7. By letter dated June 4, 2003 from the Government to Rex with the subject heading "FINAL NOTICE," the Government outlined Rex's breaches of the terms of the Leases and gave Rex 90 days' notice to fulfill its obligations failing which the Leases would be cancelled. Rex failed to remedy the breaches and the Government ultimately cancelled the Leases.

8. The risk that the Leases would be cancelled by the Government was a material change in the business and operations of Rex. This substantial risk would have been clear to Rex on January 3, 2003 and, in any event, by no later than June 4, 2003.

9. Nonetheless, following receipt of the above correspondence on January 3, 2003, April 16, 2003 or June 4, 2003, Rex failed to issue news releases or file Material Change Reports forthwith with the Commission disclosing the risk that the Leases would be cancelled contrary to subsections 75(1) and 75(2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

Misleading Disclosure in Rex's Public Filings

10. During the period of February 2003 through November 2003, Rex provided misleading disclosure in its public filings with respect to its operations in Sierra Leone, the particulars of which are described below.

11. In a press release dated February 28, 2003 (the "February Press Release"), Rex stated: "In Sierra Leone, Rex's partner, Fauvilla Ltd., is moving heavy mining equipment onto the Zimmi concession while the mining camp is being established." The February Press Release did not, however, make any reference to the issues raised by the Government regarding the Leases.

12. In its Annual Information Form for the year ended March 31, 2003 (dated August 15, 2003) (the "AIF"), Rex stated that it holds the Leases until February 28, 2019. Further, Rex stated that:

> The Tongo dykes are reputedly among the highest grade diamond-bearing dykes in the world. During fiscal 2003 a team was set up to start surveying the Tongo dyke system and a ground magnetic survey was carried out, as well as a topographical survey, allowing a better definition of the extent of the kimberlite dykes. …
>
> Geological reports based on sampling programs carried out on the [Zimmi Lease] property indicate

> that the property contains deposits of large stones of high quality. The Corporation believes that the Zimmi property has the potential to produce alluvial diamonds at surface and that high-grade paleo channels and other geophysical features indicate the possibility of a primary kimberlite source. Under the MOU, Fauvilla has agreed to invest US$5,000,000 to begin operations on the "Zimmi" property. The Corporation will, however, retain 100% of the concession rights to the property. Fauvilla, a diamond mining company operating alluvial mines in West Africa, has also agreed to pay all costs associate with mining operations. …

13. At the time of the filing of the AIF, Rex was aware of the risk that the Leases would be cancelled. Rex failed to disclose this risk or make any reference in its public filings to any dispute with the Government regarding the Leases. Meanwhile, Rex indicated in the AIF that the Leases were held until 2019, had significant potential value, and Rex was preparing to start mining operations. By providing favourable news in its public filings regarding the Leases but withholding negative news, Rex provided shareholders with an unbalanced and misleading view of Rex's operations in Sierra Leone.

14. In its Management Discussion and Analysis for the six months ended September 30, 2003 (filed November 28, 2003) (the "MD&A"), Rex stated that:

> "… a private placement of 6.0 million units was completed on November 28, 2003. … The gross proceeds of Cdn.$3.6 million will be used to build up the rough supply from Sierra Leone and for general working capital purposes. …
>
> The first shipment to Rex Antwerp of Sierra Leone rough diamonds have been sold in Antwerp during the month of November. Sierra Leone sales were strong, with high prices obtained, as the diamond market is in short supply. Imports from Sierra Leone are expected to reach a sustained level of $2 million per month within a year, thereby compensating for the currency exchange related losses of the South African operations.

15. The information contained in the MD&A was misleading. The "first shipment" of diamonds did not come from the properties covered by the Leases. Further, it does not appear that there was a reasonable basis for Rex to state that imports were expected to reach a level of $2 million per month within a year. Rex's imports did not reach a level of $2 million per month. Rex never commenced any actual mining operations on the properties covered by the Leases.

Failure to Disclose Issuance of Notice of Tender Forthwith

16. On December 11, 2003, the Government issued a public announcement that the Tongo Lease was open to tenders from mining companies (the "Notice of Tender"). The Notice of Tender stated that the Tongo Lease was previously held by Rex.

17. Rex became aware of the Notice of Tender on or about December 15, 2003 when it received a letter from its joint venture partner quoting the Notice of Tender, including the portion that stated the Tongo Lease was previously held by Rex.

18. The issuance of the Notice of Tender was a material change in the business and operations of Rex. Rex failed to forthwith issue a news release disclosing the issuance of the Notice of Tender and failed to file a Material Change Report with the Commission contrary to subsections 75(1) and (2) of the Act.

19. On March 30 2004, the Government announced that the tender bids had been evaluated and named the company that was awarded the Tongo Lease (the "Tender Evaluation"). The Tender Evaluation stated that in October 2003 the Government had cancelled the Leases held by Rex. On April 2, 2004, Rex issued a news release stating that the Leases had been cancelled. Rex did not file a Material Change Report.

III. MISLEADING STATEMENTS

20. Rex provided misleading information to Market Regulation Services Inc. ("RS") and omitted to advise RS of key facts relating to the Leases.

21. Rex's press release of April 2, 2004 prompted RS to conduct a review of trading in Rex shares. RS requested that Rex provide a chronological listing of all events and developments relating to the Leases during the relevant period. The chronology provided to RS by Rex contained misleading information and omitted key facts with respect to the Leases.

IV. CONDUCT CONTRARY TO THE PUBLIC INTEREST

22. On each occasion in 2003 that Rex received correspondence from the Government stating the risk that the Leases would be cancelled, Rex acted contrary to the public interest in breaching section 75 of the Act by failing to issue news releases or file Material Change Reports forthwith disclosing this risk. Specifically, Rex received Government correspondence to this effect on January 3, 2003, April 16, 2003, and June 4, 2003.

23. Further, after it became aware of the Notice of Tender on December 15, 2003, Rex acted contrary to the public interest in breaching section 75 of the Act by failing to issue a news release or file a Material Change Report forthwith disclosing the issuance of the Notice of Tender and its effect on the business and operations of Rex.

24. After the Government announced on March 31, 2004 that the Leases held by Rex had been cancelled, Rex acted contrary to the public interest in breaching section 75 of the Act by failing to file a Material Change Report

forthwith disclosing the material change in the business and operations of Rex.

25. Muller and Holemans, as officers and directors of Rex, authorized, permitted or acquiesced in Rex's non-compliance with section 75 of the Act and thereby contravened Ontario securities law and acted in a manner contrary to the public interest.

26. Similarly, Rex acted contrary to the public interest by providing misleading disclosure regarding its operations in Sierra Leone in each of its public filings of February 28, 2003, August 15, 2003, and November 28, 2003.

27. Muller and Holemans, as officers and directors of Rex, authorized, permitted or acquiesced in Rex's provision of misleading information to RS and misleading disclosure in its public filings and thereby contravened Ontario securities law and acted in a manner contrary to the public interest.

28. Staff reserves the right to make such further and other allegations as Staff may submit and the Commission may permit.

DATED at Toronto this 4th day of December, 2007.

1.4.8 Imagin Diagnostic Centres Inc. et al.

FOR IMMEDIATE RELEASE
December 5, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
IMAGIN DIAGNOSTIC CENTRES INC.,
PATRICK J. ROONEY, CYNTHIA JORDAN,
ALLAN McCAFFREY, MICHAEL SHUMACHER,
CHRISTOPHER SMITH, MELVYN HARRIS AND
MICHAEL ZELYONY

TORONTO – Following a hearing held today, the Commission issued an Order adjourning the above matter to February 22, 2008 for the purpose of setting a hearing date.

A copy of the Order dated December 5, 2007 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Laurie Gillett
Manager, Public Affairs
416-595-8913

Carolyn Shaw-Rimmington
Assistant Manager,
Public Affairs
416-593-2361

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.9 Land Banc of Canada Inc. et al.

FOR IMMEDIATE RELEASE
December 5, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO ECURITIES INC.,
RICHARD JASON DOLAN, MARCO LORENTI,
AND STEPHEN ZEFF FREEDMAN

TORONTO – At the request of the parties, the Commission issued an Order today revising its Order of December 3, 2007, continuing the Temporary Order of May 17, 2007, until February 15, 2008 against LBC, Midland, Dolan and Lorenti with certain amendments with respect to Dolan and Lorenti.

A copy of the revised Order dated December 5, 2007 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Blue Tree Wireless Data Inc. - s. 1(10)(b)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(b).

Montreal, November 28, 2007

Heenan Blaikie LLP
1250 René-Lévesque Boulevard West
Suite 2500
Montréal, Quebec H3B 4Y1

Attention: Mr. Jason Caron

Re: Blue Tree Wireless Data Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Manitoba, Ontario and Québec (the "Jurisdictions")

Dear Sir:

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer;

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Marie-Christine Barrette"
Manager of the Financial Disclosure Department

2.1.2 Windsor Trust 2002-B - s. 1(10)(b)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(b).

November 28, 2007

Windsor Trust 2002-B
c/o 27777 Franklin Road
CIMS 465-25-25
Southfield, Michigan
48034

Attention: Assistant Secretary

Dear Sirs/Mesdames:

Re: Windsor Trust 2002-B (the "Applicant") - application for an order not to be a reporting issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

(c) the Applicant is applying for relief not to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Cameron McInnis"
Manager, Corporate Finance
Ontario Securities Commission

2.1.3 Laidlaw International, Inc. - s. 1(10)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

November 28, 2007

Osler, Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal, Québec H3B 4W5

Attention: Josée Kouri

Dear Ms. Kouri:

Re: Laidlaw International, Inc. (the "Applicant") – application for an order not to be a reporting issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the Legislation") of the Jurisdictions not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
- the Applicant is applying for relief not to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.4 ORTHOsoft Inc. - s. 1(10)(b)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(b).

Montreal, November 28, 2007

Lavery, de Billy, LLP
600 De La Gauchetière Street West
Suite 2400
Montréal, Québec
H3B 4L8

Attention: Mrs. Sarah Talpis-Guillet

Dear Mrs. Talpis-Guillet,

Re: ORTHOsoft Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Manitoba, Ontario and Quebec (the "Jurisdictions").

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101, *Marketplace Operation*;
- the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Marie-Christine Barrette"
La Chef du Service de l'information financière

2.1.5 CHIP Master Term Trust - s. 1(10)(b)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(b).

November 29, 2007

CHIP Master Term Trust
45. St. Clair Avenue West
Suite 600
Toronto, ON
M4V 1K9

Dear Ms. Cuthbertson:

Re: CHIP Master Term Trust (the "Applicant") – application for an order not to a reporting issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland and Labrador, New Brunswick (the "Jurisdictions").

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

(c) the Applicant is applying for relief not to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Cameron McInnis"
Manager Corporate Finance
Ontario Securities Commission

2.1.6 U.S. Steel Canada Inc. - s. 1(10)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

November 29, 2007

McCarthy Tétrault LLP
Box 48, Suite 4700
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Orysia Semotiuk

Dear Ms. Semotiuk:

Re: U.S. Steel Canada Inc. (the "Applicant") – application for an order not to be a reporting issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the Legislation") of the Jurisdictions not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
- the Applicant is applying for relief not to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.7 DiversiCAPITAL Global Dividend Split Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption granted to permit an investment fund that uses specified derivatives to calculate its NAV once per week subject to certain conditions - relief needed from the requirement that an investment fund that uses specified derivatives must calculate its NAV daily - relief not prejudicial to the public interest because investment fund shares are expected to be listed on the TSX which will provide liquidity for investors - NAV will be made available to financial press for publication on a weekly basis and will also be posted on the Manager's website - National Instrument 81-106 Investment Fund Continuous Disclosure.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 14.2(3)(b), 17.1.

November 28, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, NORTHWEST TERRITORIES, YUKON AND NUNAVUT
(the "Jurisdictions")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
DIVERSICAPITAL GLOBAL DIVIDEND SPLIT CORP.
(the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for an exemption from the requirement contained in section 14.2(3)(b) of National Instrument 81-106 – *Investment Fund Continuous Disclosure* ("**NI 81-106**") to calculate net asset value ("**NAV**") at least once every business day (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS Decision Document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 - *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is a mutual fund corporation established under the laws of Ontario. The Filer's promoter, manager, investment counsel and portfolio manager is Goodman & Company, Investment Counsel Ltd. (the "**Manager**"). The head office of the Manager is located in the province of Ontario.

The Offering

2. The Filer will make an offering (the "**Offering**") to the public, on a best efforts basis, of Class A shares (the "**Class A Shares**") and Class A preferred shares, series 1 (the "**Preferred Shares**") (collectively, the "**Shares**") in each province and territory of Canada. A unit will consist of one Class A Share and one Preferred Share (a "**Unit**").

3. The Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the "**TSX**"). An application requesting conditional listing approval has been made by the Filer to the TSX.

4. The Offering of the Shares by the Filer is a one-time offering and the Filer will not continuously distribute the Shares.

5. A preliminary prospectus of the Filer dated November 1, 2007 (the "**Preliminary Prospectus**") has been filed with the securities regulatory authorities in each of the provinces and territories of Canada.

The Shares

6. The Filer's objectives in respect of the Class A Shares are: (i) to provide holders of Class A Shares with regular monthly cash distributions in an amount initially targeted to be 6.00% per annum on the NAV of the Class A Shares; and (ii) to provide holders of Class A Shares with the opportunity for leveraged growth in NAV and distributions per Class A Share.

7. The Filer's objectives in respect of the Preferred Shares are: (i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of $0.13125 per Preferred Share ($0.525 per year) representing a yield on the issue price of the Preferred Shares of 5.25% per annum; and (ii) to return the issue price of $10.00 per Preferred Share to holders of Preferred Shares at the time of redemption of such shares on December 30, 2014 (the "**Redemption Date**").

8. The net proceeds from the Offering will be invested in an actively managed, globally-diversified portfolio comprised primarily of dividend-paying equity securities of issuers that the Manager believes are trading at a discount to their intrinsic value and have strong cash flows and the ability to grow their dividends.

9. The Filer will use derivatives to ensure that at least 80% of the portion of its portfolio valued in foreign currencies will at all times be hedged back to the Canadian dollar.

10. The Shares may be surrendered for retraction at any time but will be retracted only on the last business day of each month (excluding December 2014) (a "**Valuation Date**"). The Filer will make payment for any Shares retracted on or before the tenth business day of the month following the date of the retraction.

11. Class A Shares or Preferred Shares may be retracted on a Valuation Date. The retraction price for a Class A Share surrendered for retraction on a monthly basis will be equal to 95% of the difference between (i) the NAV per Unit determined as of the relevant Valuation Date, and (ii) the cost to the Filer of the purchase of a Preferred Share in the market for cancellation. The retraction price for a Preferred Share surrendered for monthly retraction will be equal to 95% of the lesser of (i) the NAV per Unit determined as of the relevant Valuation Date less the cost to the Filer of the purchase of a Class A Share in the market for cancellation and (ii) $10.00. To exercise a monthly retraction right, shareholders must surrender their Shares for retraction not less than 10 business days prior to the Valuation Date.

12. Shareholders also have an annual retraction right under which they may concurrently retract an equal number of Class A Shares and Preferred Shares on the December Valuation Date of each year, commencing on the December 2008 Valuation Date. The price paid by the Filer for such a concurrent retraction will be equal to the NAV per Unit calculated as of such date, less any costs associated with the retraction. The Shares must be surrendered for retraction at least 10 business days prior to a December Valuation Date.

13. Holders of Class A Shares also have a December 2014 retraction right under which they may retract Class A Shares on the Redemption Date at a retraction price per Class A Share equal to the greater of (i) the NAV per Unit on that date minus the sum of $10.00 plus any accrued and unpaid dividends on a Preferred Share and (ii) nil. Such shareholders must surrender their Class A Shares for retraction not less than 45 days prior to the Redemption Date.

Calculation of Net Asset Value

14. Under clause 14.2(3)(b) of NI 81-106, an investment fund that is a reporting issuer is generally required to calculate the NAV per security of the fund on at least a weekly basis. Furthermore, an investment fund that uses or holds specified derivatives, such as the Filer intends to do, must calculate its NAV per security on a daily basis.

15. The Filer proposes to calculate its NAV per Unit and NAV per Class A Share on a weekly basis.

16. The Preliminary Prospectus of the Filer discloses and the final prospectus of the Filer will disclose that the NAV per Unit and the NAV per Class A Share will be made available to the financial press for publication on a weekly basis. The final prospectus of the Filer will also disclose that the NAV per Unit and the NAV per Class A Share will be made available to the public on the Manager's website on a weekly basis.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

(a) the Class A Shares and the Preferred Shares remain listed on the TSX; and

(b) the Filer calculates its NAV per Unit and NAV per Class A Share at least weekly.

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.8 Vaaldiam Resources Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Offeror needs relief from the requirement that all holders of the same class of securities must be offered identical consideration – under the take-over bid, Canadian resident securityholders will receive shares of Offeror – shareholders resident in US and other foreign jurisdictions will receive substantially the same value as Canadian securityholders, but in the form of cash based on the proceeds from the sale of their shares – number of shares held by US and foreign residents is *de minimis*.

Applicable Legislative Provisions

Securities Act, R.S.O 1990, c. S.5, as am., ss. 97(1), 104(2).

October 30, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, MANITOBA,
NEW BRUNSWICK, NEWFOUNDLAND AND
LABRADOR, NOVA SCOTIA, ONTARIO,
QUEBEC AND SASKATCHEWAN
(the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
VAALDIAM RESOURCES LTD.
(the Filer)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement under the Legislation to offer identical consideration (the Identical Consideration Requirement) to all the holders of the same class of securities that are subject to a take-over bid (the Requested Relief).

   Under the Mutual Reliance Review System for Exemptive Relief Applications

   (a) the Ontario Securities Commission is the principal regulator for this application; and

   (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

2. Defined terms herein contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

3. This decision is based on the following facts represented by the Filer:

   1. the Filer is a company existing under the *Canada Business Corporations Act*;

   2. the Filer's head office is located in Ontario;

   3. the Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec and is not in default of any of the requirements of the Legislation;

   4. the authorized capital of the Filer consists of an unlimited number of common shares (the Filer's Shares), of which, as of July 26, 2007, there were 83,201,204 Filer Shares outstanding;

   5. the Filer's Shares are listed on the Toronto Stock Exchange (TSX);

   6. on July 3, 2007 the Filer issued a press release announcing its intention to make an offer (the Offer) to acquire all of the outstanding common shares (GWD Shares) of Great Western Diamonds Corp. (GWD);

   7. GWD is a company existing under the *Canada Business Corporations Act*;

   8. GWD's head office is located in Saskatchewan;

   9. GWD is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario;

   10. the authorized capital of GWD consists of an unlimited number of GWD Shares and an unlimited number of Class A preferred shares;

   11. the GWD Shares are listed on the TSX Venture Exchange;

   12. to the knowledge of the Filer, after reasonable inquiry, as of July 26, 2007,

there are 88,887,299 GWD Shares outstanding (and no Class A preferred shares), of which 243,977 (approximately 0.2%) were held by 11 U.S. residents (GWD US Shareholders) and of which 1,455,740 (approximately 1.6%) were held by 8 persons not resident in the United States or Canada (GWD Foreign Shareholders);

13. under the terms of the Offer, each holder of a GWD Share will receive consideration per GWD Share of 0.45 of a Filer Share, subject to adjustment as described in the Offer;

14. the Filer's Shares issuable under the Offer will not be registered or otherwise qualified for distribution under the securities legislation of the United States or any other foreign jurisdiction; the delivery of the Filer's Shares to GWD US Shareholders, without further action by the Filer, could constitute a violation of the laws of the United States and the applicable foreign jurisdictions;

15. the Filer proposes to deliver to the depositary under the Offer (the Depositary) the Filer's Shares which GWD US Shareholders would otherwise be entitled to receive under the Offer, the Depositary will sell those Filer's Shares by private sale or on any stock exchange on which the Filer's Shares are then listed after the payment date for the GWD Shares tendered by the GWD US Shareholders under the Offer, as soon as possible after completion of the sale, the Depositary will distribute the aggregate net proceeds of the sale, after expenses and applicable withholding taxes, *pro rata* among the GWD US Shareholders that tendered their GWD Shares under the Offer;

16. in the absence of the mechanism described in paragraph 15, the offer, sale and delivery of Vaaldiam Shares to the GWD US Shareholders would constitute a violation of certain U.S. securities laws. Registration under such U.S. securities laws of the Vaaldiam Shares deliverable to GWD US Shareholders pursuant to the Offer would be extremely costly and burdensome to the Filer. Further, the Multijurisdictional Disclosure System would not provide relief from the registration or qualification requirements of such U.S. securities laws;

17. to the extent that any of the GWD Foreign Shareholders are in jurisdictions which do not permit the Vaaldiam Shares to be delivered without registration or qualification under the laws of their own jurisdiction, the Filer may utilize a mechanism similar to the one described in paragraph 15 above, modified as necessary to comply with the laws of such foreign jurisdiction;

18. any sale of the Filer's Shares described in paragraph 15 above will be completed as soon as possible after the date on which the Filer takes up the GWD Shares tendered by the GWD US Shareholders or GWD Foreign Shareholders under the Offer and will be done in a manner intended to maximize the consideration to be received from the sale by the applicable GWD US Shareholders or GWD Foreign Shareholder and minimize any adverse impact of the sale on the market for the Filer's Shares;

19. the takeover bid circular to be prepared by the Filer and sent to all shareholders of GWD will disclose the procedure described in paragraph 15 to be followed for GWD US Shareholders and GWD Foreign Shareholders who tender their GWD Shares to the Offer; and

20. except to the extent that relief from the Identical Consideration Requirement is granted, the Offer will comply with the requirements under the Legislation concerning take-over bids.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The decision of the Decision Makers under the Legislation is that, in connection with the Offer, the Requested Relief is granted so that the Filer is exempt from the Identical Consideration Requirement insofar as GWD US Shareholders and GWD Foreign Shareholders, who would otherwise receive Filer's Shares pursuant to the Offer, receive cost proceeds from the sale of the Filer's Shares in accordance with the procedures set out in paragraphs 15 and 17 above.

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"Paul K. Bates"
Commissioner
Ontario Securities Commission

2.1.9 Saxon Funds Management Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the requirement to deliver a renewal prospectus annually to mutual fund investors who purchase units pursuant to pre-authorized Contribution Plans, subject to certain conditions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 71, 147.

November 30, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR, YUKON TERRITORY, NORTHWEST TERRITORIES AND NUNAVUT
(the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SAXON FUNDS MANAGEMENT LIMITED
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision on behalf of the publicly offered mutual funds (the **Funds**) that are managed from time to time by the Filer or an affiliate of the Filer for a decision (the **Decision**) pursuant to the securities legislation of the Jurisdictions (the **Legislation**) that the requirement in the Legislation to deliver the latest prospectus and any amendment to the prospectus (the **Delivery Requirement**) not apply in respect of a purchase and sale of securities of the Funds pursuant to a pre-authorized contribution plan (a **Contribution Plan**), including employee purchase plans, capital accumulation plans, or any other contract or arrangement for the purchase of a specified amount of securities on a regularly scheduled basis (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications (**MRRS**);

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

(a) The Filer is a corporation incorporated under the laws of the Province of Ontario. The Filer's head office is located in Toronto, Ontario and it is the manager of the Funds.

(b) The Funds are, or will be, reporting issuers in one or more of the Jurisdictions and in the provinces of British Columbia and Quebec. Securities of the Funds are, or will be, offered for sale on a continuous basis pursuant to a simplified prospectus.

(c) Securities of each of the Funds are or will be distributed through broker dealers or mutual fund dealers (**Distributors**) that may or may not be affiliated with the Filer.

(d) Each of the Funds may offer investors the opportunity to invest in a Fund on a regular or periodic basis pursuant to a Contribution Plan.

(e) Under the terms of a Contribution Plan, an investor instructs a Distributor to accept additional contributions on a pre-determined frequency and/or periodic basis and to apply such contributions on each scheduled investment date to additional investments in specified Funds. The investor authorizes a Distributor to debit a specified account or otherwise makes funds available in the amount of the additional contributions. An investor may terminate the instructions, or give amended instructions, at any time.

(f) An investor who establishes a Contribution Plan (a **Participant**) receives a copy of the current simplified prospectus relating to the applicable Funds at the time a Contribution Plan is established.

(g) Pursuant to the Legislation, a Distributor not acting as agent of the purchaser, who receives an order or subscription for a security of a Fund offered in a distribution to which the Delivery Requirement applies, must, unless it has previously done so, send by prepaid mail or

deliver to the purchaser the latest prospectus and any amendment to the prospectus filed either before entering into an agreement of purchase and sale resulting from the order or subscription or not later than midnight on the second day, exclusive of Saturdays, Sundays and holidays, after entering into such agreement and thereafter, any new prospectus or amendment thereto (a **Renewal Prospectus**) filed pursuant to section 62(2) of the Act.

(h) Pursuant to the Legislation, an agreement referred to in paragraph (g) is not binding on the purchaser if a Distributor receives notice of the intention of the purchaser not to be bound by the agreement of purchase and sale within a specified time period (a **Withdrawal Right**).

(i) As a result of exemptive relief from the Delivery Requirement, Withdrawal Rights will not apply in respect of purchases made by Participants pursuant to a Contribution Plan.

(j) The terms of a Contribution Plan are such that an investor can terminate the instructions to the Distributor at any time. Therefore, there is no agreement of purchase and sale until a scheduled investment date arrives and the instructions have not been terminated. At this point the securities are purchased.

(k) A Distributor not acting as agent for the applicable investor is required pursuant to the Legislation to mail or deliver to all Participants who purchase securities of Funds pursuant to a Contribution Plan, the current simplified prospectus of the applicable Funds at the time the investor enters into the Contribution Plan and thereafter, any Renewal Prospectus.

(l) There is significant cost involved in the annual printing and mailing or delivery of the Renewal Prospectus to Participants. The annual cost of production of a Renewal Prospectus is borne by the applicable Fund. In addition, mailing costs are incurred.

(m) Investors in the Funds who are currently Participants will be sent notice (the **Notice**) advising them:

(i) of the terms of the relief and that Participants will not receive any Renewal Prospectus of the applicable Funds, unless they request it;

(ii) that they may request the Renewal Prospectus by calling a toll-free phone number, by email or by fax, and the Manager will send the Renewal Prospectus to any Participant that requests it. Participants will receive with the Notice a request form (the **Request Form**) under which the Participant may request, at no cost to the Participant, to receive the Renewal Prospectus;

(iii) that the Renewal Prospectus and any amendments thereto may be found either on the SEDAR website or on the applicable Fund's website;

(iv) that they can subsequently request the current Renewal Prospectus and any amendments thereto by contacting the applicable Distributor and will provide a toll-free telephone number for this purpose;

(v) that they will not have a Withdrawal Right from an agreement of purchase and sale in respect of purchases pursuant to a Contribution Plan, but that they will have a right (a **Misrepresentation Right**) of action for damages or rescission in the event the Renewal Prospectus contains a misrepresentation, whether or not they request the Renewal Prospectus; and

(vi) that they will continue to have the right to terminate the Contribution Plan at any time before a scheduled investment date.

(n) Future investors who choose to become Participants and invest in any Funds in respect of which the relief hereby sought applies will be advised:

(i) in the documents they receive in respect of their participation in the Contribution Plan or in the simplified prospectus of the Funds (in the section of the simplified prospectus that describes the Contribution Plan) of the terms of the relief and that they will not receive a Renewal Prospectus unless they request it at the time they decide to enrol in the Contribution Plan or subsequently request it from the applicable Distributor;

(ii) that a Renewal Prospectus and any amendments thereto may be found either on the SEDAR website or on the Fund's website;

(iii) that they will not have a Withdrawal Right in respect of purchases pursuant to a Contribution Plan, other than in respect of the initial purchase and sale, but they will have a Misrepresentation Right, whether or not they request the Renewal Prospectus; and

(iv) that they will have the right to terminate the Contribution Plan at any time before a scheduled investment date.

(o) Participants are advised annually in writing (in an account statement sent by the Distributor or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The Decision of the Decision Makers under the Legislation is that Requested Relief is granted provided that:

(a) in respect of purchases and sales of securities of the Funds to Participants who purchase the securities pursuant to a Contribution Plan which is in existence on the date of this Decision:

(i) Participants who are current securityholders of the Funds are sent the Notice and Request Form described in paragraph (m) above;

(ii) under the terms of the Contribution Plan, a Participant can terminate participation in the Contribution Plan at any time;

(iii) Participants are advised annually in writing (in an account statement sent by the Distributor or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right; and

(iv) the Misrepresentation Right in the Legislation of a Jurisdiction is maintained in respect of a Participant whether or not a Renewal Prospectus is requested or received,

(b) after the date of the applicable next Renewal Prospectus, in respect of purchases and sales of securities of the Funds to Participants who purchase the securities pursuant to a Contribution Plan which is established after the date of this Decision:

(i) Participants are advised, in the simplified prospectus of the applicable Funds or in the documents they receive in respect of their participation in the Contribution Plan, of the information described in paragraph (n) above;

(ii) under the terms of the Contribution Plan, a Participant can terminate participation in the Contribution Plan at any time;

(iii) Participants are advised annually in writing (in an account statement sent by the Distributors or otherwise) how they can request the current Renewal Prospectus and any amendments thereto and that they have a Misrepresentation Right; and

(iv) the Misrepresentation Right in the Legislation of a Jurisdiction is maintained in respect of a Participant whether or not a Renewal Prospectus is requested or received.

THE DECISION, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule dealing with the Delivery Requirement.

“David L. Knight”

“Margot C. Howard”

2.1.10 Bank of Montreal and BMO Subordinated Notes Trust - MRRS Decision

Headnote

MRRS – Issuer does not satisfy conditions of exemption in section 13.4 of NI 51-102 – credit supporter's accounting systems will not allow it to compile consolidated summary financial information for non-credit supporter subsidiaries that represent more than 3% of consolidated operations – issuer exempt from certain continuous disclosure and certification requirements, subject to conditions.

Applicable Legislative Provisions

National Instrument 51-102 – Continuous Disclosure Obligations, ss. 13.1, 13.4.
Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, ss. 4.4,4.5.

November 30, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR AND NORTHWEST TERRITORIES
(collectively, the "Jurisdictions")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
BANK OF MONTREAL
BMO SUBORDINATED NOTES TRUST

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from Bank of Montreal (the "Bank") and BMO Subordinated Notes Trust (the "Trust") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to:

(a) (i) file interim financial statements and audited annual financial statements and deliver same to the security holders of the Trust, pursuant to Sections 4.1, 4.3 and 4.6 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102");

(ii) file interim and annual management's discussion and analysis ("MD&A") of the financial conditions and results of operations and deliver same to the security holders of the Trust pursuant to Section 5.1 and 5.6 of NI 51-102;

(iii) file an annual information form pursuant to Section 6.1 of NI 51-102;

(collectively, the "Continuous Disclosure Obligations"); and

(b) file interim and annual certificates contained in Parts 2 and 3 of Multilateral Instruments 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* ("MI 52-109") (the "Certification Obligations");

shall not apply to the Trust, subject to certain terms and conditions;

Under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"): (a) the Ontario Securities Commission is the Principal Regulator for this application; and (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

- "90-day Bankers' Acceptance Rate" means, for any quarterly floating rate interest period, the average bid rate of interest (expressed as an annual percentage rate) rounded down to the nearest one hundred – thousandth of 1% (with 0.000005% being rounded up) for Canadian Dollar bankers' acceptances with maturities of 90 days which appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on the first Business Day of such period, provided that if such rate does not appear on the Reuters Screen CDOR Page on such day, the 90-day Bankers' Acceptance Rate for such period will be the average of the bid rates of interest (expressed and rounded as set forth above) for Canadian Dollar bankers' acceptances with maturities of 90 days for same day settlement as quoted by such of the Schedule I Canadian chartered banks as may quote such a rate as of 10:00 a.m. (Toronto time) on the first Business Day of such period.
- "Automatic Exchange" means the automatic exchange, without the consent of the holders, of each $1,000 principal amount of BMO TSNs – Series A into an equal principal amount of subordinated debt of the Bank, upon the occurrence of a Loss Absorption Event or a Non-Deductibility Event.

- "Bank Act" means the *Bank Act* (Canada).
- "Bank Officers Certificates" means the interim and annual officers certificates filed by the Bank under MI 52-109.
- "Bank Series E Subordinated Notes" means the subordinated debt of the Bank issuable upon the occurrence of an Automatic Exchange.
- "Business Day" means a day on which Canadian chartered banks are open for business in Toronto, Ontario, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario.
- "Canada Yield Price" means a price equal to the price of the BMO TSNs – Series A, calculated on the Business Day preceding the day on which the redemption is authorized, to provide a yield from the date fixed for redemption to, but excluding, September 26, 2017 equal to the Government of Canada Yield, plus 33.5 basis points.
- "Government of Canada Yield" means the yield from the date fixed for redemption to, but excluding, September 26, 2017 assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry on the remaining term to, but excluding, September 26, 2017. The Government of Canada Yield will be calculated by two independent Canadian investment dealers selected by the Indenture Trustee and approved by the Bank.
- "Indenture Trustee" means BNY Trust Company of Canada.
- "Loss Absorption Event" means the occurrence of any one of the following events: (i) an application for a winding-up order in respect of the Bank pursuant to the Winding-Up Act is filed by the Attorney General of Canada or a winding-up order in respect of the Bank pursuant to the Winding-Up Act is granted by a court; (ii) the Superintendent advises the Bank in writing that the Superintendent has taken control of the Bank or its assets pursuant to the Bank Act; (iii) the Superintendent advises the Bank in writing that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; (iv) the Board of Directors of the Bank advises the Superintendent in writing that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; or (v) the Superintendent directs the Bank, pursuant to the Bank Act, to increase its capital or provide additional liquidity and the Bank elects to cause the Automatic Exchange as a consequence of the issuance of such direction or the Bank does not comply with such direction to the satisfaction of the Superintendent within the time specified.
- "Prospectus" means the final short form prospectus of the Trust dated September 19, 2007.
- "Maturity Date" means September 26, 2022.
- "Non-Deductibility Event" means a circumstance in which the Bank determines, in its absolute discretion, that, as a result of the enactment or anticipated enactment of federal Canadian income tax legislation, the interest payable on the BMO TSNs – Series A will not be deductible by the Trust for federal Canadian income tax purposes, and the Bank gives written notice of such determination to the Trust.
- "Superintendent" means the Superintendent of Financial Institutions (Canada).
- "SEDAR" means the System for Electronic Document Analysis Retrieval.
- "Winding-Up Act" means the *Winding-up and Restructuring Act* (Canada).

Representations

This decision is based on the following facts represented by the Trust:

The Trust

1. The Trust is a closed-end trust established under the laws of Ontario by Computershare Trust Company of Canada (the "Trustee"), pursuant to a declaration of trust dated as of August 28, 2007. The Trust's principal office is located in Toronto, Ontario. The Trust was established solely for the purpose of effecting offerings of debt securities in order to provide the Bank with a cost-effective means of raising capital for regulatory purposes under the Bank Act. The Bank will be the Administrative Agent of the Trust pursuant to an Administration Agreement between the Trustee and the Bank (the "Administration Agreement").
2. The Trust is a reporting issuer or its equivalent in each Jurisdiction where such concept exists since September 20, 2007 following the issuance of a final MRRS Decision Document evidencing receipts for the Prospectus in respect of $800,000,000 principal amount of 5.75% trust subordinated notes due September 26, 2022 (the "BMO TSNs – Series A") at a price of $999.85 each (the "Offering").
3. The Trust is not in default of any requirement under the Legislation.
4. The BMO TSNs – Series A distributed pursuant to the Prospectus are held by the public and all outstanding voting securities of the Trust (the "Voting Trust Units") are held by the Bank. The

Trust may, from time to time, issue further series of debt securities having terms substantially similar to the BMO TSNs – Series A.

5. The assets of the Trust consist primarily of a deposit note issued by the Bank, which will generate income for payment of principal, interest, redemption price, if any, and any other amounts in respect of its debt securities, including the BMO TSNs – Series A. The BMO TSNs – Series A form part of the regulatory capital of the Bank. The Trust is a special purpose entity that has no independent business activities other than to acquire and hold eligible investments for the purpose described above.

The Bank

6. The Bank is a chartered bank subject to the provisions of the Bank Act. The Bank's head office is located at 129 rue Saint Jacques, Montréal, Québec, H2Y 1L6 and the Bank's corporate headquarters and executive offices are located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.

7. The Bank is a reporting issuer or the equivalent in each Jurisdiction where such concept exists and is not, to its knowledge, in default of any requirement under the Legislation.

8. The Bank's common shares are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange.

BMO TSNs – Series A

9. The BMO TSNs – Series A are issued under a trust indenture (the "Trust Indenture") entered into at the closing of the Offering between the Trust, the Bank and BNY Trust Company of Canada, as trustee for the holders of BMO TSNs – Series A.

10. The BMO TSNs – Series A are repayable at 100% of the principal amount at the Maturity Date, unless redeemed earlier.

11. From the date of issue to, but excluding, September 26, 2017 (the "Interest Reset Date"), interest will be payable on the BMO TSNs – Series A at a fixed rate per annum payable semi-annually in arrears in equal instalments. After the Interest Reset Date to, but excluding the Maturity Date, interest will be payable on the BMO TSNs – Series A at a floating rate equal to the 90-day Bankers' Acceptance Rate, plus 1.00% per annum, payable quarterly.

12. The Bank fully and unconditionally guarantees on a subordinated basis (the "Bank Guarantee") the payment of principal, interest (including in the event of an Automatic Exchange), accrued and unpaid interest on the date of exchange), the redemption price, if any, and any other amount on the BMO TSNs – Series A, when they become due and payable, whether at stated maturity, call for redemption, Automatic Exchange or otherwise according to the terms of the Bank Guarantee and the Trust Indenture. Following the Automatic Exchange, the Bank's obligation under the Bank Guarantee in respect of accrued and unpaid interest, if any, on the BMO TSNs – Series A will survive until the Trust or the Bank, as the case may be, pays such interest.

13. The Trust, at its option, and with the prior approval of the Superintendent (the "Superintendent Approval"), and on not less than 30 nor more than 60 days' prior written notice, may redeem any outstanding BMO TSNs – Series A, in whole at any time or in part from time to time, without the consent of the holders, at a redemption price which, if the BMO TSNs – Series A are redeemed prior to the Interest Reset Date, will be equal to the greater of the Canada Yield Price and the principal amount, or, if the BMO TSNs – Series A are redeemed on or after the Interest Reset Date, will be equal to the principal amount, together in each case with accrued and unpaid interest to but excluding the date fixed for redemption (the "Redemption Price").

14. The BMO TSNs – Series A may be purchased at any time, in whole or in part, by the Trust. The purchases may be made in the open market or by tender or private contract at any price. Such purchase will require the Superintendent Approval.

15. Pursuant to the Automatic Exchange, each $1,000 principal amount of BMO TSNs – Series A will be exchanged automatically, without the consent of the holders, into an equal principal amount of Bank Series E Subordinated Notes, upon the occurrence of a Loss Absorption Event or a Non-Deductibility Event.

    The material attributes of the Bank Series E Subordinated Notes will be the same as those of the BMO TSNs – Series A, except that the Bank Series E Subordinated Notes will constitute subordinated indebtedness for purposes of the Bank Act.

16. The Bank has agreed, pursuant to the Trust Indenture, that it will maintain ownership of 100% of the outstanding Voting Trust Units.

17. As long as any BMO TSNs – Series A are outstanding, the Trust may only be terminated with the approval of the holder of Voting Trust Units and with the approval of the Superintendent. As long as any BMO TSNs – Series A are outstanding and held by any person other than the Bank, the Bank will not approve the termination of

the Trust, unless the Trust has sufficient funds to pay the Redemption Price.

18. Pursuant to the Administration Agreement, the Trustee delegates to the Bank certain of its obligations in relation to the administration of the Trust. The Bank, as administrative agent, offers advice and counsel with respect to the administration of the day-to-day operations of the Trust and other matters as may be requested by the Trustee from time to time.

19. The Trust may, from time to time, issue further series of debt securities, the proceeds of which would be used to acquire, amongst other eligible investments, additional notes from the Bank.

20. Because of the nature of the Trust, the terms of the BMO TSNs – Series A, the Bank Guarantee and the various covenants of the Bank given in connection with the Offering, information about the affairs and financial performance of the Bank, as opposed to that of the Trust, is meaningful to holders of BMO TSNs – Series A. The Bank's filings will provide holders of BMO TSNs – Series A and the general investing public with all information required in order to make an informed decision relating to an investment in BMO TSNs – Series A. Information regarding the Bank is relevant both to an investor's expectation of being paid the principal, interest and the redemption price, if any, and any other amount on the BMO TSNs – Series A when due and payable.

21. The Trust meets the eligibility requirements set out in subsection 13.4(2) of NI 51-102 except that the Bank does not meet the test set out in subsection 13.4(2)(g)(i)(B) of NI 51-102 and the Bank is unable to prepare the table required by subsection 13.4(2)(g)(ii) of NI 51-102.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers, with the exception of the securities regulator in the Northwest Territories, under the Legislation is that the Trust be exempted from the Continuous Disclosure Obligations provided that:

(i) The Trust and the Bank continue to satisfy all the conditions set forth in subsection 13.4(2) of NI 51-102, other than subsection 13.4(2)(g);

(ii) the Bank remains a reporting issuer, or the equivalent in each Jurisdiction where such concept exists, under the Legislation and has filed all documents it is required to file;

(iii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, all documents that the Bank is required to file under the Legislation, other than in connection with a distribution, at the same time as they are filed by the Bank with a Decision Maker;

(iv) the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the documents referred to in clause (a) above of this decision;

(v) the Trust sends, or causes the Bank to send, to holders of the Trust's debt securities all disclosure materials that are sent to holders of similar debt securities of the Bank in the manner and at the time required by the Legislation;

(vi) all outstanding securities of the Trust are either BMO TSNs – Series A, additional series of debt securities having terms substantially similar to the BMO TSNs – Series A or Voting Trust Units;

(vii) the rights and obligations of holders of additional series of debt securities are the same in all material respects as the rights and obligations of the holders of the BMO TSNs – Series A, with the exceptions of economic terms such as the rate of interest, redemption dates and maturity dates; and

(viii) the Trust continues to have minimal or no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the securities described in paragraph (vi) above.

The decision of the Decision Makers under the Legislation is that the Trust be exempted from the Certification Obligations provided that:

(i) the Trust is and continues to be exempted from the Continuous Disclosure Obligations; and

(ii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, the Bank Officers Certificates at the same time as such documents are required under the Legislation to be filed by the Bank.

This decision shall expire 30 days after the date a material adverse change occurs in the representations made by the Trust in this decision.

"Iva Vranic"
Manager, Corporate Finance
Ontario Securities Commission

2.1.11 Mackenzie Financial Corporation and Mackenzie Universal Canadian Resource Class - NI 81-102 Mutual Funds, ss. 2.3(h), 19.1

Headnote

Relief granted to mutual fund from prohibition against purchasing a specified derivative the underlying interest of which is a physical commodity other than gold - Mutual fund wanting to invest in standardized futures with underlying interests in oil and natural gas as a hedge against related oil and gas investments - Relief granted provided purchase of standardized future is effected through the NYMEX, the standardized future is traded only for cash or an offsetting standardized future contract, and the standardized future is sold at least one day prior to the date on which delivery of the underlying commodity is due under the standardized future - National Instrument 81-102 Mutual Funds.

Statutes Cited

National Instrument 81-102 Mutual Funds, ss. 2.3(h), 19.1.

November 29, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

MACKENZIE UNIVERSAL CANADIAN
RESOURCE CLASS (the Fund)

DECISION DOCUMENT

Background

The Ontario Securities Commission (the **Commission**) has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of Ontario (the **Legislation**) exempting the Fund from the prohibition in paragraph 2.3(h) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) to enable the Fund to invest in standardized futures (as such term is defined in Section 1.1 of NI 81-102) with underlying interests in sweet crude oil (oil) or natural gas (gas) (the **Requested Relief**) in order to hedge the risks associated with the Fund's portfolio investments in oil and gas securities (the **Proposed Strategy**).

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

1. The Filer is a corporation amalgamated under the laws of Ontario and is registered as an advisor in the categories of Investment Counsel and Portfolio Manager in Ontario, Manitoba and Alberta. Mackenzie is also registered in Ontario as a dealer in the category of Limited Market Dealer, as well as registered under the *Commodity Futures Act* (Ontario) in the categories of Commodity Trading Counsel & Commodity Trading Manager. The Filer's head office is in Toronto, Ontario.

2. The Filer is the Fund's portfolio advisor, and directly handles purchase and sale decisions for the Fund's portfolio.

3. The Fund is an open-end class of shares of a mutual fund corporation established under the laws of Ontario of which the Filer is the manager.

4. The securities of the Fund are qualified for distribution in Ontario only pursuant to a simplified prospectus and annual information form that has been prepared and filed in accordance with the securities legislation of Ontario. The Fund is, accordingly, a reporting issuer in Ontario.

5. The investment objectives and investment strategies of the Fund permit portfolio investments in oil and gas securities. In addition, the Filer may choose to use derivatives to hedge against losses from changes in the prices of a Fund's investments.

6. Of late, the price of oil has been on a trend higher to reach record highs, whereas the price of natural gas has been trending lower. Canadian prices for natural gas have lost approximately half their value since their highs of late 2005, when they plummeted from their hurricane-assisted highs because of weak demand and high storage levels in North America. In light of both these trends, the Filer has determined that it would be in the best interests of the Fund and its investors for the Fund's portfolio advisor to have the ability to implement an appropriate risk management strategy to protect the Fund from fluctuations in the prices of oil and gas.

7. The Filer has considered a number of alternative strategies for risk management with respect to the prices of oil and gas, and has determined that the Proposed Strategy, for which the Requested Relief is sought, is optimal from a number of perspectives including in respect of liquidity, cost and complexity.

8. The Proposed Strategy would enable the Funds to trade in standardized futures contracts on the New York Mercantile Exchange (the **NYMEX**), where the underlying interests are oil and gas, as a

hedge against the prices of related securities held by the Fund.

9. Under the Requested Relief, the Fund's portfolio advisor proposes to trade in standardized futures contracts for cash or an offsetting contract to satisfy its obligations in a standardized futures contract.

Decision

The Director of the Commission is satisfied that the test contained in the Legislation that provides the Director with the jurisdiction to make the decision has been met.

The decision of the Director under the Legislation is that the Requested Relief is granted provided that:

(a) the purchases, uses and sales of standardized futures which have underlying interests in oil or gas are made in accordance with the provisions otherwise relating to the use of specified derivatives for hedging purposes in NI 81-102 and the related disclosure otherwise required in National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* and National Instrument 81-106 – *Investment Fund Continuous Disclosure*;

(b) a standardized future contract will be traded only for cash or an offsetting standardized future contract to satisfy the obligations under the standardized future and will be sold at least one day prior to the date on which delivery of the underlying commodity is due under the standardized future;

(c) the purchase of a standardized future will be effected through the NYMEX;

(d) the Fund will not engage in the Proposed Strategy under this decision unless and until its portfolio advisor making purchase and sale decisions for the Fund's portfolio has been granted registration as a Commodity Trading Manager under the *Commodity Futures Act* (Ontario) or been granted an exemption from this registration requirement;

(e) the Fund will not purchase a standardized future if, immediately following the purchase, all the standardized futures contracts purchased and then held by a particular Fund relate to barrels of oil and/or British Thermal Units of gas representing an aggregate value that would exceed 75% of the total net assets of the Fund at that time;

(f) the Fund will keep proper books and records of all such purchases and sales; and

(g) the Fund will provide disclosure in its simplified prospectus of the Proposed Strategy, the risks associated with the Proposed Strategy and the exemptive relief granted under this decision prior to implementing the Proposed Strategy.

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.12 Collins Bay Island Securities LLC - ss. 6.1(1) of NI 31-102 National Registration Database and s. 6.1 of OSC Rule 13-502 – Fees

Applicant seeking registration as an international dealer is exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of National Instrument 31-102 –National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 – Fees is waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

National Instrument 31-102 – National Registration Database (2007) 30 OSCB 5430, s. 6.1.
Ontario Securities Commission Rule 13-502 – Fees (2003) 26 OSCB 867, ss. 4.1, 6.1.

November 19, 2007

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the Act)

AND

IN THE MATTER OF
COLLINS BAY ISLAND SECURITIES LLC

DECISION
(Subsection 6.1(1) of National Instrument 31-102 – National Registration Database and Section 6.1 of Ontario Securities Commission Rule 13-502 – Fees)

UPON the Director having received the application of Collins Bay Island Securities LLC (the Applicant) for an order pursuant to subsection 6.1(1) of National Instrument 31-102 – *National Registration Database* (**NI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under NI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 – *Fees* (**Rule 13-502**) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware in the United States. The Applicant's head office is located in Newport Beach, California.

2. The Applicant is currently registered as a broker-dealer in the United States of America and its primary regulator is the Financial Industry Regulatory Authority (FINRA).

3. The Applicant is not registered in any capacity under the Act. However, the Applicant is in the process of applying to the Commission for registration under the Act as a dealer in the category of limited market dealer.

4. NI 31-102 requires that all registrants in Canada enrol with CDS INC. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (the EFT Requirement).

5. The Applicant anticipates encountering difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

6. The Applicant confirms that it is not registered and does not intend to register in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.

7. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

8. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of NI 31-102 that the Applicant is granted an exemption from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money

order or other acceptable means at the appropriate time; and

D. is not registered in any other Canadian jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

"David M. Gilkes"
Manager, Registrant Regulation
Ontario Securities Commission

2.1.13 FCMI Precious Metals Fund Inc. - s. 1(10)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

November 28, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, QUÉBEC AND NEWFOUNDLAND
AND LABRADOR
(the "Jurisdictions")

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
FCMI PRECIOUS METALS FUND INC.
(the "Filer")

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer be deemed to have ceased to be a reporting issuer in each of the Jurisdictions (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation subsisting under the *Business Corporations Act* (Ontario). The principal office of the Filer is located in Ontario.

2. The Filer is a commodity pool pursuant to National Instrument 81-104 – *Commodity Pools*.

3. The Filer is a reporting issuer in all of the Jurisdictions.

4. Friedberg Mercantile Group Ltd. is the manager of the Filer (the "**Manager**").

5. In 1983, the Filer was created as a closed-end investment fund when it completed an initial public offering (the "**IPO**") and its Class A shares (the "**Class A Shares**") were listed on the Toronto Stock Exchange. The Class A Shares of the Filer were subsequently delisted and a redemption right was provided. Since the IPO, no additional securities of the Filer have been distributed.

6. The Filer currently has approximately 229 securityholders (the "**Securityholders**").

7. An affiliate of the Manager is the only Securityholder that holds full voting shares in the capital of the Filer. The remainder of the Securityholders hold partial voting, Class A Shares, which entitle the holders to vote only in respect of select matters. These select matters do not include dissolution of the Filer or approval to convert the portfolio of the Filer to cash and to distribute the net assets to the Securityholders.

8. As of November 20, 2007, the Filer had total net assets of $1,105,077.

9. The ongoing operating expenses of FCMI consist mainly of accounting and auditing fees, legal fees in connection with annual meetings and director's fees. The increasing management expense ratio has reached the point where it has become very difficult to achieve a positive increase in net asset value ("**NAV**") per share. As a result, the Filer has determined that it is in the best interests of the Securityholders that an orderly wind-up of the Filer takes place.

10. The Filer intended to wind-up prior to November 30, 2007 but cannot do so until it receives a tax clearance certificate. The tax clearance certificate is not expected until February 2008.

11. On November 8, 2007, the Filer issued a press release announcing that the Manager has liquidated the portfolio investments of the Filer and that the assets will be distributed to the Securityholders.

12. Prior to November 30, 2007, the Filer will distribute all of its assets (other than amounts being paid to satisfy amounts owing by the Filer to service providers) to the Securityholders by way of a special distribution.

13. The special distribution will be made to Securityholders on a pro rata basis taking into account the number of Class A Shares held by each Securityholder. The value of each pro rata distribution will be based on the NAV of the Filer as of a date immediately prior to the special distribution. The calculation of NAV will be in accordance with the articles of the Filer and National Instrument 81-106 *Investment Fund Continuous Disclosure*.

14. Prior to November 30, 2007, the Manager will provide written notice under section 5.8(2) of NI 81-102 (the "**Notice**") to the Securityholders that the Filer will be wound up no sooner than 60 days from when the Notice is received. The Notice will be provided with the special distribution.

15. Once the special distribution has been made, Securityholders will have received all of the assets to which they are entitled from the Filer and all management fees paid by the Filer will cease.

16. The Filer is not in default of its obligations under the Legislation as a reporting issuer other than the requirement to file compliance reports under sections 6.7 and 12.1 of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**"). Through inadvertence and because the Filer became a mutual fund after it ceased distribution, these reports were not filed.

17. No securities of the Filer are traded on a marketplace, as defined in National Instrument 21-101 *Marketplace Operation*.

18. Given that the assets of the Filer will be distributed to Securityholders and the Filer will be wound up pending receipt of a tax clearance certificate, the costs to the Filer of remaining a reporting issuer will outweigh any benefit to the Securityholders.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"Margot C. Howard"
Commissioner
Ontario Securities Commission

"David L. Knight"
Commissioner
Ontario Securities Commission

2.1.14 LoJack Exchangeco Canada Inc. - s. 1(10)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

November 29, 2007

McCarthy Tétrault LLP
1000, rue De La Gauchetière Street West
Montréal (Québec) H3B 0A2

Attention to: Me. Lorna J. Telfer

Dear Madam:

Re: LoJack Exchangeco Canada Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Ontario and Quebec ("Jurisdictions").

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in Regulation 21-101 respecting Market-place Operation;
- the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Marie-Christine Barrette"
Chef du service de l'information financière
Autorité des marchés financiers

2.1.15 CML Healthcare Inc. - s. 1(10)

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

December 4, 2007

Goodmans LLP
250 Yonge Street, Suite 2400
Toronto, ON M5B 2M6

Attention: David Nathanson

Dear Mr. Nathanson:

Re: CML Healthcare Inc. (the "Applicant") – application for an order not to be a reporting issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, and Newfoundland and Labrador (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the Legislation") of the Jurisdictions not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
- the Applicant is applying for relief not to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.16 Innova Exploration Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

December 4, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NOVA SCOTIA,
NEW BRUNSWICK, AND NEWFOUNDLAND
AND LABRADOR
(the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
INNOVA EXPLORATION LTD.
(the Filer)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authorities or regulators (the **Decision Makers**) in the Jurisdictions have received an application from Innova Exploration Ltd. (the **Filer**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer be deemed to have ceased to be a reporting issuer in the Jurisdictions (the **Requested Relief**).

2. Under the Mutual Reliance Review System for Exemptive Relief Applications

   (a) the Alberta Securities Commission (the **Commission**) is the principal regulator for this application; and

   (b) this MRRS decision document evidences the decision of the Decision Makers.

Interpretation

3. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

4. This decision is based on the following facts represented by the Filer:

   (a) The Filer is incorporated under the *Business Corporations Act* (Alberta) (the **ABCA**) of the Province of Alberta and has its head office in Calgary, Alberta.

   (b) All of the outstanding common shares of the Filer were acquired by Crescent Point General Partner Corp. (**CPGPC**), a wholly-owned subsidiary of Crescent Point Energy Trust, pursuant to the completion of a take-over bid dated September 13, 2007 and a subsequent compulsory acquisition proceeding carried out under the ABCA.

   (c) The Filer is a reporting issuer or the equivalent in the provinces of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador.

   (d) The common shares of the Filer were de-listed from the Toronto Stock Exchange on November 5, 2007.

   (e) No securities of the Filer are traded on a marketplace as defined in National Instrument 21-201 *Marketplace Operation*.

   (f) The outstanding securities of the Filer, including debt securities, are all beneficially owned by Crescent Point and, therefore, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada.

   (g) On November 7, 2007, the Filer filed a notice in British Columbia under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* stating that the Filer will cease to be a reporting issuer in British Columbia on November 17, 2007.

   (h) The Filer is currently not in default of any of its obligations under the Legislation, other than the failure to file its interim financial statements and management's discussion & analysis related thereto for the period ended September 30, 2007 and the certifications required by NI 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* as required to be filed under the Legislation on or before November 14, 2007.

(i) The filer has no current intention to seek public financing by way of an offering of securities.

(j) Upon the grant of the relief requested herein, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Decision

5. The Decision Maker is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

6. The decision of the Decision Maker under the Legislation is that Requested Relief be granted.

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.17 Penn West Energy Trust and Canetic Resources Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – s. 14.2 of Form 51-102F5 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) - exemption from the requirement to include in an information circular to be sent to security holders of reporting issuers engaged in a business combination disclosure (including financial statements) with respect to such reporting issuers as prescribed by the form of prospectus, other than a short form prospectus under National Instrument 44-101 Short Form Prospectus Distributions (NI 44-101) - both reporting issuers eligible to file short form prospectuses - relief given to permit issuers to provide information required by NI 44-101F1 other than certain information circulars filed in 2006 that are superseded by information circulars filed in 2007.

Applicable Legislative Provisions

NI 51-102 - Continuous Disclosure Obligations.
NI 44-101 - Short Form Prospectus.

Citation: Penn West Energy Trust and Canetic Resources Trust, 2007 ABASC 870

November 26, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO (THE JURISDICTIONS)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
PENN WEST ENERGY TRUST (PENN WEST) AND
CANETIC RESOURCES TRUST (CANETIC)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from Canetic and Penn West for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that:

(a) Canetic and Penn West be exempt from the requirement under Item 14.2 of Form 51-102F5 to National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) to include in an information

circular (the **Information Circular**) to be sent to securityholders of Canetic, disclosure (including financial statements) with respect to Canetic and Penn West as prescribed by the form of prospectus, other than a short form prospectus under National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101** or the **Short Form Prospectus Rule**), that Canetic and Penn West would be eligible to use for a distribution of securities provided that the Information Circular includes information about Penn West and Canetic as required by the Short Form Prospectus Rule; and

(b) in connection with the foregoing, to exempt Canetic and Penn West from the requirement under Item 11.1(1)(7) of Form 44-101F1 *Short Form Prospectus* (**Form 44-101**) to incorporate by reference into the Information Circular:

(i) the joint information circular and proxy statement of Penn West and Petrofund Energy Trust (**Petrofund**) dated May 23, 2006; and

(ii) the management information circular and proxy statement of Canetic relating to the annual meeting of holders (**Canetic Unitholders**) of trust units of Canetic (**Canetic Units**) held on May 9, 2006.

(collectively, the **Requested Relief**).

Application of Principal Regulator System

2. Under Multilateral Instrument 11-101 *Principal Regulator System* (**MI 11-101**) and the Mutual Reliance Review System for Exemption Relief Applications:

(a) the Alberta Securities Commission is the principal regulator for Canetic and Penn West;

(b) Canetic and Penn West are relying on the exemption in Part 3 of MI 11-101 in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, as applicable; and

(c) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

3. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

4. This decision is based on the following facts represented by Canetic and Penn West:

(a) Each of Canetic and Penn West was formed under the laws of the Province of Alberta and has its head office located in Calgary, Alberta.

(b) The trust units of Canetic are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "CNE.UN" and on the New York Stock Exchange under the trading symbol "CNE".

(c) The trust units of Penn West are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "PWT.UN" and on the New York Stock Exchange under the trading symbol "PWE".

(d) Canetic is a reporting issuer in each of the provinces of Canada and has been a reporting issuer in at least one of these jurisdictions since on or about January 6, 2006.

(e) Penn West is a reporting issuer in each of the provinces of Canada other than Nova Scotia, Newfoundland and Labrador and Prince Edward Island and has been a reporting issuer in at least one of these jurisdictions since on or about May 31, 2005.

(f) To its knowledge, Canetic is not in default of any of its obligations as a reporting issuer pursuant to the applicable securities legislation in any of the provinces in which it is a reporting issuer or its equivalent.

(g) To its knowledge, Penn West is not in default of any of its obligations as a reporting issuer pursuant to the applicable securities legislation in any of the provinces in which it is a reporting issuer or its equivalent.

(h) Penn West and Canetic satisfy the basic qualification criteria as set out in section 2.2 of the Short Form Prospectus Rule.

(i) Penn West has a current AIF and current annual financial statements as defined in section 1.1 of the Short Form Prospectus Rule. Canetic has a current AIF and current annual financial statements as defined in section 1.1 of the Short Form Prospectus Rule.

(j) Penn West and Canetic have each filed (or have been deemed to have filed) the notice required by section 2.8 of the Short Form Prospectus Rule and each such notice has not been withdrawn.

(k) On October 30, 2007, Canetic and Penn West entered into an agreement with respect to a proposed transaction pursuant to which Penn West and Canetic will combine their businesses (the **Combination**). Pursuant to the Combination, Canetic Unitholders will receive, for each Canetic Unit, 0.515 of a trust unit of Penn West (**Penn West Unit**), and holders (**Penn West Unitholders**) of Penn West Units will continue to hold one Penn West Unit for each Penn West Unit held prior to the Combination. In addition, in connection with the Combination, Canetic Unitholders will receive a special cash distribution of $0.09 per Canetic Unit.

(l) The Information Circular detailing the Combination is anticipated to be mailed to Canetic Unitholders in early December of 2007 for a meeting (the **Canetic Meeting**) expected to take place in mid-January 2008. Closing of the Combination is expected to take place as soon as is practicable after the Canetic Meeting.

(m) On August 31, 2006 Canetic acquired certain natural gas and oil interests from a private company for an aggregate purchase price of approximately $930 million (the **Samson Acquisition**).

(n) Effective June 30, 2006 Penn West completed a plan of arrangement pursuant to which Penn West acquired Petrofund (the **Petrofund Merger**). Pursuant to the Petrofund Merger, Penn West indirectly acquired certain oil and gas assets.

(o) Canetic filed a business acquisition report dated November 8, 2006 (the **Samson BAR**) pursuant to NI 51-102 containing the financial statement and other disclosure in respect of the Samson Acquisition required by Part 8 of NI 51-102.

(p) At the time of the Petrofund Merger, Penn West was not required to complete a business acquisition report in respect of the Petrofund Merger as section 8.1(2) of NI 51-102 provided that a business acquisition report was not required so long as the information and financial statements required by section 14.2 of Form 51-102F5 concerning the Petrofund Merger was contained within the information circular prepared in respect of the Petrofund Merger. Such information was contained in or incorporated by reference into such information circular (the **Petrofund Financial Statements**).

(q) Form 51-102F5 requires that the Information Circular contain, among other things, a detailed description of the Combination and disclosure (including financial statements) for Penn West and Canetic prescribed by the form of prospectus, other than a short form prospectus under the Short Form Prospectus Rule, that Penn West and Canetic would be eligible to use for a distribution of securities in the Jurisdictions.

(r) The form of prospectus other than a short form prospectus under the Short Form Prospectus Rule that Penn West and Canetic would be eligible to use for a distribution of securities in the Jurisdictions is the form of prospectus prescribed by Ontario Securities Commission Form 41-501F1 *Information Required in a Prospectus*.

(s) Other than in connection with the Requested Relief, the Information Circular will comply with the applicable requirements of NI 51-102, and will include, among other things, a detailed description of the Combination and the disclosure (including financial statements) for Penn West and Canetic prescribed by Form 44-101F1.

(t) The Information Circular will incorporate by reference all documents of the type described in item 11.1 of Form 44-101F1, and specifically, those filed by Penn West and Canetic after the date of the Information Circular and before the date of the Canetic Meeting.

(u) The Information Circular will contain sufficient information for unitholders of Canetic to make a reasoned decision about whether to approve the Combination.

(v) The Information Circular will incorporate by reference the information circulars relating to Canetic's and Penn West's annual meetings held on May 9, 2007 and June 8, 2007, respectively

(w) The Information Circular will incorporate by reference the Samson BAR and the Petrofund Financial Statements which will comply with items 11.1(1).6 and 11.4(2) of Form 44-101F1, respectively.

Decision

5. The Decision Makers being satisfied that they each have jurisdiction to make this decision and that the relevant test contained under the Legislation has been met, the Requested Relief is granted, provided that:

(a) at the time of filing of the Information Circular, Penn West and Canetic satisfy the basic qualification criteria as set out in section 2.2 of the Short Form Prospectus Rule; and

(b) the Information Circular (and the documents incorporated by reference in the Information Circular) includes information about Penn West and Canetic required by the Short Form Prospectus Rule to be included or incorporated by reference in a short form prospectus.

"Agnes Lau", CA
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.18 Gienow Windows & Doors Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer is not a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

December 4, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NEW BRUNSWICK,
NOVA SCOTIA AND NEWFOUNDLAND
AND LABRADOR
(the Jurisdictions)

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
GIENOW WINDOWS & DOORS INCOME FUND
(the Filer)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) to be deemed to have ceased to be a reporting issuer in the Jurisdictions (the **Requested Relief**).

2. Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Alberta Securities Commission (the **Commission**) is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

3. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

4. This decision is based on the following facts represented by the Filer:

   (a) The Filer is an unincorporated, open-ended, limited-purpose trust established under, and governed by the laws of the laws of the Province of Alberta.

   (b) On September 18, 2007, the Filer issued a press release announcing that the Filer and Gienow AcquisitionCo Inc., Farley AcquisitionCo Inc., AWD AcquisitionCo Inc. and GF Real Estate AcquisitionCo Inc., affiliates of H.I.G. Capital, LLC (**H.I.G.**), signed a definitive agreement on September 17, 2007 for the acquisition of the indirect operating businesses of the Filer by H.I.G. and the redemption of all of the issued and outstanding publicly-held securities of the Filer (the **Transaction**).

   (c) The Transaction was approved at a special meeting of the unitholders of the Filer held on October 29, 2007 and the Transaction was completed on October 31, 2007.

   (d) After submission of the requisite notices and applications, the publicly held securities of the Filer were de-listed from the Toronto Stock Exchange on November 1, 2007. Following receipt of an approval of the Filer's trustee, the publicly held securities of the Filer were redeemed on November 2, 2007.

   (e) On November 6, 2007, the Filer filed a notice in British Columbia under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* stating that it ceased to be a reporting issuer in British Columbia on November 16, 2007.

   (f) The Filer has no current intention to seek public financing by way of an offering of securities.

   (g) The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada.

   (h) No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

   (i) The Filer is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.

   (j) The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, other than its obligations to file by November 14, 2007 interim financial statements, related management's discussion and analysis and certificates in respect of the interim period ended September 30, 2007 under National Instrument 51-102 *Continuous Disclosure Obligations*.

   (k) Upon the granting of the relief request herein, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Decision

5. The Decision Makers being satisfied that they have jurisdiction to make this decision and that the relevant test under the Legislation has been met.

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted and the Filer be deemed to have ceased to be a reporting issuer.

"Blaine Young"'
Associate Director, Corporate Finance
Alberta Securities Commission

2.2 Orders

2.2.1 Land Banc of Canada Inc. et al. - ss. 126, 127

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN, MARCO LORENTI,
AND STEPHEN ZEFF FREEDMAN

ORDER
SECTION 126 and 127

WHEREAS on the 23rd day of April, 2007, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading by Land Banc of Canada ("LBC"), LBC Midland I Corporation ("Midland"), Fresno Securities Inc. ("Fresno"), Richard Jason Dolan ("Dolan"), Marco Lorenti ("Lorenti") and Stephen Zeff Freedman ("Freedman"), (the "Respondents"), in any securities of Midland or any other corporation controlled by LBC, Dolan or Lorenti shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on the 23rd day of April, 2007, the Commission issued a Direction under s.126(1) of the Act to the Bank of Montreal branch at 2851 John St., in Markham, Ontario (the "BMO Markham Branch") to retain all funds, securities or property on deposit in the name of or otherwise under control of Midland at the BMO Markham Branch (the "Direction");

AND WHEREAS on the 30th of April, 2007 the Direction was continued on consent at the Superior Court of Justice (the "Court") until further notice of the Court but without prejudice to Midland to apply to the Commission to vary the Direction under s.126(7);

AND WHEREAS on May 1, 2007, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS on May 8, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until May 17, 2007;

AND WHEREAS on May 17, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until June 29, 2007;

AND WHEREAS on June 29, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until August 7, 2007;

AND WHEREAS on August 7, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until September 19, 2007;

AND WHEREAS on September 18, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until October 24, 2007;

AND WHEREAS on October 24, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until December 3, 2007;

AND WHEREAS upon submissions from counsel for Staff of the Commission and from counsel for LBC, Midland, Dolan and Lorenti;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT

1. the Temporary Order is continued until February 14, 2008 against LBC, Midland, Dolan and Lorenti with the following amendments respecting Dolan and Lorenti, until further order of the Commission;

2. Dolan shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) and through a dealer registered with the Commission;

3. Lorenti shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) through a dealer registered with the Commission;

4. the Direction is continued until February 14, 2008 subject to the payment of expenses related to Midland approved by Staff in writing; and

5. this Order shall not affect the right of LBC, Midland, Dolan and Lorenti to apply to the Commission to clarify or revoke the Temporary Order or Direction prior to February 14, 2008 upon three days notice to Staff of the Commission.

Dated at Toronto this 3rd day of December, 2007

"Patrick J. LeSage"

"Suresh Thakrar"

2.2.2 Sunwide Finance Inc. et al. - ss. 127(1), 127(8)

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
SUNWIDE FINANCE INC., SUN WIDE GROUP, SUN WIDE GROUP FINANCIAL INSURERS & UNDERWRITERS, WI-FI FRAMEWORK CORPORATION, BRYAN BOWLES, STEVEN JOHNSON, FRANK R. KAPLAN, AND GEORGE SUTTON

ORDER
Sections 127(1) & 127(8)

WHEREAS on November 19, 2007, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to sections 127(1) and 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") ordering that Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Wi-Fi Framework Corporation, and their officers, directors, employees and/or agents cease trading in all securities immediately, including the securities of Wi-Fi Framework Corporation;

AND WHEREAS on November 19, 2007, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on November 21, 2007 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on December 3, 2007 at 2:00 p.m;

AND WHEREAS Staff of the Commission ("Staff") attempted to serve all of the Respondents a certified copy of the Temporary Order and a Notice of Hearing at all known addresses, fax numbers, and electronic mail addresses as evidenced by the Affidavit of Louisa Tong sworn November 28, 2007 and filed with the Commission in the Evidence Brief of Staff;

AND WHEREAS Staff served Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Bryan Bowles, Steven Johnson, Frank R. Kaplan, and George Sutton by fax and email;

AND WHEREAS Staff's service on Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Bryan Bowles, Steven Johnson, Frank R. Kaplan, and George Sutton by courier was unsuccessful;

AND WHEREAS Staff's service on Wi-Fi Framework Corporation was unsuccessful;

AND WHEREAS the Commission held a Hearing on December 3, 2007 and none of the Respondents attended before the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

AND WHEREAS pursuant to section 127(8) satisfactory information has not been provided to the Commission within the fifteen (15) day period after the making of the Temporary Order;

IT IS HEREBY ORDERED pursuant to section 127(8) that the Temporary Order is extended to March 4, 2008; and

IT IS FURTHER ORDERED that the Hearing is adjourned to Tuesday, March 4, 2008 at 2:30 p.m.

DATED at Toronto this 3rd day of December 2007.

"Wendell S. Wigle"

"Margot C. Howard"

2.2.3 Stanton De Freitas - ss. 127(1), 127(5) 127(8)

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
STANTON DE FREITAS

TEMPORARY ORDER
(Sections 127(1), (5) and (8))

WHEREAS on May 30, 2007, the Commission made a temporary order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the "Act"), that trading in any securities by Stanton De Freitas shall cease and that any exemptions contained in Ontario securities law do not apply to him (the "Temporary Order");

WHEREAS the Temporary Order has been modified and extended from time to time by the Commission;

AND WHEREAS on September 28, 2007, the Commission ordered that the hearing to extend the Temporary Order, as modified and extended by the Commission, be adjourned until November 29, 2007;

AND WHEREAS on September 28, 2007, the Commission further ordered that the Temporary Order, as modified and extended by the Commission, be further extended until November 29, 2007 or until further order of the Commission;

AND WHEREAS the hearing to extend the Temporary Order, as modified and extended by the Commission is scheduled to be heard by the Commission on December 4, 2007;

AND UPON HEARING submissions from counsel for Staff and counsel for Stanton De Freitas;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

1. the hearing to extend the Temporary Orders, as modified, is adjourned until December 4, 2007 at 10:00 a.m.; and

2. pursuant to subsection 127 (8) of the Act, the Temporary Order, as modified, is extended until the conclusion of the hearing to extend the Temporary Orders or until further order of the Commission.

DATED at Toronto this 29th day of November, 2007.

"James E. A. Turner"

"Margot C. Howard"

2.2.4 David Watson et al. - ss. 127(1), 127(5), 127(8)

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
DAVID WATSON, NATHAN ROGERS, AMY GILES, JOHN SPARROW, LEASESMART, INC., ADVANCED GROWING SYSTEMS, INC. (a Florida corporation), PHARM CONTROL LTD., THE BIGHUB.COM, INC, UNIVERSAL SEISMIC ASSOCIATES INC., POCKETOP CORPORATION, ASIA TELECOM LTD., INTERNATIONAL ENERGY LTD., CAMBRIDGE RESOURCES CORPORATION, NUTRIONE CORPORATION AND SELECT AMERICAN TRANSFER CO.

TEMPORARY ORDER
(Sections 127(1), (5) and (8))

WHEREAS, on May 18, 2007, the Ontario Securities Commission (the "Commission") made an order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the "Act"), that:

i) trading in the securities of the following companies shall cease and that any exemptions contained in Ontario securities law do not apply to them: The Bighub.Com, Inc. ("Bighub.Com"); Advanced Growing Systems, Inc. (a Florida corporation) ("Advanced Growing Systems"); LeaseSmart, Inc. ("Lease-Smart"); Cambridge Resources Corporation ("Cambridge Resources"); NutriOne Corporation ("NutriOne"); International Energy Ltd. ("International Energy"); Uniersal Seismic Associates Inc. ("Universal Seismic"); Pocketop Corporaion ("Pocketop"); Asia Telecom Ltd. ("Asia Telecom"); and Pharm Control Ltd. ("Pharm Control"); and

ii) all trading in any securities by Jason Wong, David Watson, Nathan Rogers, Amy Giles, John Sparrow and Kervin Findlay shall cease;

AND WHEREAS on May 22, 2007, by further order of the Commission made pursuant to subsections 127(1) and (5) of the Act, it was ordered that trading in any securities by Select American Transfer Co. ("Select American") shall cease and that any exemptions contained in Ontario securities law do not apply to them;

AND WHEREAS the temporary orders dated May 18 and May 22, 2007 (the "Temporary Orders") were modified and extended from time to time by the Commission;

AND WHEREAS on September 28, 2007, the Commission ordered that the Temporary Orders, as modified and extended by the Commission, were further extended until November 29, 2007 or until further order of the Commission;

AND UPON HEARING submissions from counsel for Staff of the Commission and upon being advised by Staff that NutriOne consents to the making of this Order;

AND UPON HEARING submissions from counsel for Pharm Control that it consents to the making of this Order, and with no one appearing for David Watson, Nathan Rogers, Amy Giles, John Sparrow, LeaseSmart, Cambridge Resources, Advanced Growing Systems, The Bighub.Com, Universal Seismic, Pocketop, International Energy, Select American and Asia Telecom;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

1. the hearing to extend the Temporary Orders, as modified, is adjourned against all of the respondents except Pharm Control until June 24, 2008 at 2:30 p.m.;

2. pursuant to subsection 127 (8) of the Act, the Temporary Orders, as modified, are extended against all of the respondents except Pharm Control until June 24, 2008 or until further order of the Commission, provided that any party may, on 14 days notice, seek to vary the order pursuant to section 144 of the Act;

3. the hearing to extend the Temporary Orders, as modified, is adjourned for Pharm Control until December 4, 2007 at 10:00 a.m.; and

4. pursuant to subsection 127(8) of the Act, the Temporary Orders, as modified, are extended against Pharm Control until December 4, 2007 at 10:00 a.m.

DATED at Toronto this 29th day of November, 2007.

”James E. A. Turner”

”Margot C. Howard”

2.2.5 Collins Bay Island Securities LLC - s. 218 of the Regulation

Application for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, for the Applicant to be registered under the Act as a dealer in the category of limited market dealer.

Regulation Cited

R.R.O. 1990, Regulation 1015, am. to O. Reg. 500/06, ss. 213, 218.

IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990,
CHAPTER S.5, AS AMENDED (the Act)

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 1015,
AS AMENDED (the Regulation)

AND

IN THE MATTER OF
COLLINS BAY ISLAND SECURITIES LLC

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) of Collins Bay Island Securities LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer (**LMD**).

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company organized under the laws of the State of Delaware in the United States. The head office of the Applicant is located at 567 San Nicolas Drive, Suite 460, Newport Beach, CA, USA 92660.

2. The Applicant is registered with the United States Securities and Exchange Commission as a broker-dealer and with the State of California as an investment advisor. The Applicant is also a member of the Financial Industry Regulatory Authority (**FINRA**) in the United States.

3. The Applicant's primary business activities include referring institutional clients to investment managers for investments in hedge funds or in separate accounts.

4. The Applicant is not registered in any capacity under the Act. However, the Applicant is in the process of applying to the Commission for registration under the Act as a dealer in the category of limited market dealer (Non-Resident).

5. Section 213 of the Regulation provides that a registered dealer that is not an individual must be a company incorporated, formed or created, under the laws of Canada or a province or territory of Canada.

6. The Applicant is not incorporated, formed or created under the laws of Canada or any province or territory of Canada. The Applicant is not resident in Canada, will not maintain an office in Canada and will only participate in LMD activities in Ontario. The Applicant does not require a separate Canadian company in order to carry out its proposed LMD activities in Ontario. It is more efficient and cost effective for the Applicant to carry out those activities through the existing company.

7. Without the relief requested the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of LMD as the Applicant is not an individual or company incorporated, formed or created under the laws of Canada or a province or territory of Canada.

AND UPON being satisfied that to make this order would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 218 of the Regulation, that, in connection with the registration of the Applicant as a dealer, under the Act, in the category of LMD, section 213 of the Regulation shall not apply to the Applicant for a period of three (3) years, provided that:

1. The Applicant appoints an agent for service of process in Ontario.

2. The Applicant shall provide to each client resident in Ontario a statement in writing disclosing the non-resident status of the Applicant, the Applicant's jurisdiction of residence, the name and address of the agent for service of process of the Applicant in Ontario, and the nature of the risks to clients that legal rights may not be enforceable.

3. The Applicant will not change its agent for service of process in Ontario without giving the Commission thirty (30) days' prior notice of such change by filing a new *Submission to Jurisdiction and Appointment of Agent for Service of Process*.

4. The Applicant and each of its registered salespersons, directors, officers or partners irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.

   (a) Securities, funds, and other assets of the Applicant's clients in Ontario will be held as follows:

      (i) by the client; or

      (ii) by a custodian or sub-custodian:

         (A) that meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 of National Instrument 81-102 - Mutual Funds;

         (B) that is:

            (1) subject to the agreement announced by the Bank for International Settlements (BIS) on July 1, 1988 concerning international convergence of capital measurement and capital standards; or

            (2) exempt from the requirements of paragraph 3.7(1)(b)(ii) of OSC Rule 35-502 -- Non Resident Advisers; and

         (C) if such securities, funds and other assets are held by a custodian or sub-custodian that is the Applicant or an affiliate of the Applicant, that custodian holds such securities, funds and other assets in compliance with the requirements of the Regulation.

5. The Applicant will inform the Director immediately upon the Applicant becoming aware:

   (a) that it has ceased to be registered in the United States as a broker-dealer, with the State of California as an investment advisor or ceases to be a member of FINRA in the United States;

   (b) of its registration in any other jurisdiction not being renewed or being suspended or revoked;

   (c) that it is the subject of a regulatory proceeding, investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority;

   (d) that the registration of its salespersons, officers or directors or partners who are registered in Ontario have not been renewed or have been suspended or revoked in any Canadian or foreign jurisdiction; or

   (e) that any of its salespersons, officers, directors or partners who are registered in Ontario are the subject of a regulatory proceeding, investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in any Canadian or foreign jurisdiction.

6. The Applicant will pay the increased compliance and case assessment costs of the Commission due to the Applicant's location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Commission.

7. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and will produce physical records for the Commission within a reasonable time if requested.

8. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of the books and records in Ontario without the consent of the relevant client the Applicant shall, upon a request by the Commission:

   (a) so advise the Commission; and

   (b) use its best efforts to obtain the client's consent to the production of the books and records.

9. The Applicant will, upon the Commission's request, provide a representative to assist the Commission in compliance and enforcement matters.

10. The Applicant and each of its registered directors, officers or partners will comply, at the Applicant's expense, with requests under the Commission's investigation powers and orders under the Act in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario, submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if the Applicant were resident in Ontario.

11. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client or any third party, including a court of competent jurisdiction, the Applicant shall:

   (a) so advise the Commission; and

   (b) use its best efforts to obtain the client's consent to the giving of the evidence.

12. The Applicant will maintain appropriate registration and regulatory organization membership, in the jurisdiction of its principal operations, and if required, in its jurisdiction of residence.

November 27, 2007.

"David L. Knight"
Commissioner
Ontario Securities Commission

"Margot Howard"
Commissioner
Ontario Securities Commission

2.2.6 XI Biofuels Inc. et al. - ss. 127(1), 127(5)

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
XI BIOFUELS INC., BIOMAXX SYSTEMS INC.,
RONALD DAVID CROWE
AND VERNON P. SMITH

TEMPORARY ORDER
Section 127(1) & 127(5)

WHEREAS it appears to the Ontario Securities Commission that:

1. XI Biofuels Inc. ("XI") is an Ontario corporation with a registered office in Mississauga;

2. Biomaxx Systems Inc. ("Biomaxx") is an Ontario corporation with a registered office in Toronto;

3. Ronald David Crowe ("Crowe") is the President, Secretary, Treasurer and the sole director of XI. Crowe is also the President, Secretary, Treasurer and a director of Biomaxx;

4. Vernon P. Smith ("Smith") is a business associate of Crowe and appears to be assisting Crowe in operating XI. Smith was formerly a director and the Treasurer of Biomaxx. In December 2005, Smith was ordered to cease trading in all securities by the Alberta Securities Commission for a period of 5 years;

5. Securities of XI have been sold to residents of the United States by representatives of XI;

6. The United States Securities and Exchange Commission has suspended trading in shares of Biomaxx;

7. No prospectus receipt has been issued for XI or Biomaxx;

8. No exemptions from the registration and prospectus requirements under the Act appear to apply to the shares of XI or Biomaxx;

9. Staff of the Commission ("Staff") are conducting an investigation into the trading of XI and Biomaxx, and based on the information collected by Staff to date, it appears that XI and Biomaxx may be conducting a distribution of securities without complying with s. 53 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and without entitlement to an exemption from the Act's prospectus requirements;

10. In addition, Staff investigation has revealed that representatives of XI may be trading in securities without the necessary registration under s. 25 of the Act;

11. Staff's investigation has further revealed that representatives of XI may be making prohibited representations to investors, contrary to s. 38 of the Act, in order to effect sales of XI shares;

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in s. 127(5) of the Act;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

AND WHEREAS by Commission order made April 4, 2007 pursuant to section 3.5(3) of the Act, the Commission authorized each of W. David Wilson, James E.A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, to exercise the powers of the Commission to make temporary orders under s. 127 of the Act;

IT IS ORDERED pursuant to clause 2 of subsection 127(1) of the Act that all trading by XI shall cease;

IT IS FURTHER ORDERED pursuant to clause 2 of subsection 127(1) of the Act that all trading by Biomaxx shall cease;

IT IS FURTHER ORDERED that pursuant to clause 2 of subsection 127(1) of the Act that the Respondents cease trading in all securities;

IT IS FURTHER ORDERED that pursuant to clause 3 of subsection 127(1) of the Act that the exemptions contained in Ontario securities law do not apply to the Respondents;

IT IS FURTHER ORDERED that pursuant to subsection 127(6) of the Act this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

Dated at Toronto this 22nd day of November, 2007

"L. E. Ritchie"

2.2.7 Gluskin Sheff + Associates Inc. et al. - NI 81-106 Investment Fund Continuous Disclosure, ss. 3.5(1), 17.1

Headnote

Mutual fund in Ontario (non-reporting issuer) exempt from naming the issuer of certain short positions in its portfolio - must provide alternative portfolio disclosure.

Statutes Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 3.5(1), 17.1.

November 30, 2007

IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE
(N1 81-106)

AND

IN THE MATTER OF
GLUSKIN SHEFF + ASSOCIATES INC.
(the Applicant)

AND

IN THE MATTER OF
The GS+A INCOME TRUST HEDGE FUND
The GS+A EQUITY HEDGE FUND
The GS+A HIGH YIELD HEDGE FUND
(each a Fund, and collectively the Funds)

ORDER

Background

The Ontario Securities Commission (the OSC) received an application from the Applicant for a decision pursuant to section 17.1 of NI 81-106 for a decision exempting each Fund and future mutual funds managed by the Applicant which are not reporting issuers (collectively, with the Funds the GS+A Funds) from the requirement in paragraph 3.5(1)1 of NI 81-106 to include in the statements of investment portfolio prepared for the GS+A Funds the name of the issuer of the securities sold short by the GS+A Funds (the Statement of Investment Portfolio Requirement).

Representations

This Order is based on the following facts represented by the Applicant:

1. The Applicant is a corporation incorporated under the laws of Ontario. The Applicant is the manager and investment adviser of each of the Funds and will be the manager and investment adviser of any future GS+A Funds.

2. Each Fund is formed as a limited partnership under the *Limited Partnerships Act* (Ontario). The Funds are not reporting issuers.

3. Each Fund entitles its unitholders to redeem units after the first anniversary from the date of purchase ("One-Year Hold Period"), with 60 days prior notice. As a result of the fact that the One Year Hold Period is determined on a per-investment basis for each unitholder and the fact that there are other restrictions on redemption (such as the general partner's broad discretion to suspend or delay redemptions) that collectively result in the Fund not being redeemable "on demand", the Applicant has taken the position that the Funds are "non-redeemable investment funds" and are not currently subject to NI 81-106.

4. The Applicant proposes to shorten the One-Year Hold Period for each Fund. Given this shorter hold period, which is the biggest impediment to redemption, the Applicant is concerned that each of the Funds will become a "mutual fund" as defined under the securities legislation of Ontario and accordingly, will be subject to NI 81-106 and the financial disclosure requirements contained therein.

5. The Funds are only available to clients of the Applicant who have executed a discretionary investment management account agreement. Each of these clients either meet the definition of "accredited investor" under National Instrument 45-106 *Prospectus and Registration Exemptions* or qualifies under an exemption from the prospectus and registration requirements granted by the OSC.

6. As part of its investment strategy, each Fund makes extensive use of a short selling strategy pursuant to which the Applicant short sells securities it believes to be overvalued and/or have deteriorating fundamentals such as decreasing market share, sales or earnings or other negative factors. The Applicant manages the long and short positions of each Fund according to its view of the domestic and international economy and market trends, in order to seek to optimize absolute returns. The allocation of long and short positions in each Fund will vary. Short positions generally comprise approximately 30% of a Fund's portfolio of assets but may occasionally comprise up to 100% of a Fund's assets.

7. As at September 30, 2007, the Funds had an aggregate of 1,205 unitholders with $1,065,036,019 of assets.

8. Each of the Funds employs a "buy and hold" strategy with respect to its investments, meaning they do not trade in and out of positions at a high rate. Because of this strategy, short positions disclosed in the statement of portfolio assets often

remain open when the financial statements are distributed, notwithstanding the 90-day and 60-day delay in distribution of the annual and interim financial statements. Expressed as a percentage of the positions which were held on the date of the statements, the number of positions of the Funds which remained opened at the time of distribution of the statements was up to 74% for the period from December 31, 2006 to March 31, 2007 and 66% for the period from June 30, 2007 to August 31, 2007.

9. Paragraph 1 of subsection 3.5(1) of NI 81-106 will require that the name of the issuer of each portfolio asset sold short be disclosed in the Funds' statements of investment portfolio.

10. The Applicant is concerned that the Statement of Investment Portfolio Requirement could cause harm to the Funds because publishing information on short positions increases the risk of predatory marketing practices, such as short squeeze initiating trades, which could cause losses to the Funds. This is especially a concern for the Funds given their size and the number of their unitholders and the buy and hold element of the Funds' short selling strategy. Once a short squeeze has been initiated, the Applicant has limited options for protecting the Funds from harm and therefore believes that relief from the Statement of Investment Portfolio Requirement as requested is the best option to protect the Funds from harm.

11. Currently, the Funds disclose, in their statements of portfolio assets, short positions by industry. The Funds also disclose: (i) the average cost and market value of the short positions; (ii) the number of issuers in each industry; and (iii) each short position as a percentage of net assets of the Fund.

Order

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the GS+A Funds are exempt from the Statement of Investment Portfolio Requirement provided that for each GS+A Fund:

(i) the statement of investment portfolio discloses short positions by industry;

(ii) the statement of investment portfolio shows the average cost and market value of each industry category;

(iii) the statement of investment portfolio shows the percentage of net assets represented by short positions for each industry category;

(iv) the name of the issuer is disclosed for short positions that exceed 5% of a GS+A Fund's net assets;

(v) the financial statements for the GS+A Funds disclose the particulars of this exemption;

(vi) the offering memorandum (if any) of the GS+A Funds disclose the particulars of this exemption; and

(vii) this order terminates upon the coming into force of any legislation or rule of the OSC dealing with paragraph 3.5(1)1 of NI 81-106 or any matters relating to the disclosure of short positions by investment funds.

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.2.8 First Quadrant, L.P. - ss. 3.1(1), 80 of the CSA

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of acting as an adviser to certain non-redeemable investment funds and similar investment vehicles primarily offered outside of Canada in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, subject to certain terms and conditions.

Subsection 3.1(1) of the Commodity Futures Act (Ontario) – Assignment by the Commission to the Director of the powers and duties vested in the Commission under subsection 78(1) of the CFA to allow the Director to vary the present order by specifically naming an affiliate as an applicant to the order.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 3.1(1), 22(1)(b), 78, 80.
Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 – Non Resident Advisers.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
FIRST QUADRANT, L.P.

ORDER
(Section 80 and Subsection 3.1(1) of the CFA)

UPON the application (the Application) of First Quadrant, L.P. (the **Named Applicant**) and on behalf of certain affiliates of the Named Applicant that provide notice to the Director as referred to below (each, an **Affiliate**, and together with the Named Applicant, the **Applicants**) to the Ontario Securities Commission (the **Commission** or **OSC**) for:

(a) an order, pursuant to section 80 of the CFA, that each of the Applicants (including their respective directors, partners, officers, and employees), be exempt, for a period of five years, from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser to certain mutual funds, non-redeemable investment funds and similar investment vehicles (the **Funds**, as defined below) primarily offered outside of Canada in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada; and

(b) an assignment by the Commission to each Director, acting individually, pursuant to subsection 3.1(1) of the CFA, of the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of the Named Applicant as an Applicant to this Order in the circumstances described below;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicants having represented to the Commission that:

1. Each of the Applicants is organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof. In particular, the Named Applicant is a limited partnership organized under the laws of the State of Delaware, U.S.A.

2. Any Affiliate, whose name does not specifically appear in this Order, who wishes to rely on the exemption granted under this Order must execute and file with the Commission (Attention: Manager, Registrant Regulation) two copies of a notice (the **Notice**, in the form of Part A to the attached Schedule A), applying to the Director to vary this Order to specifically name the Affiliate as an Applicant to this Order. The Notice must be filed with the Commission at least ten (10) days prior to the date that such Affiliate wishes to begin relying on this Order.

3. If, in the Director's opinion, it would not be prejudicial to the public interest, within ten (10) days after receiving the Notice, the Director will provide the Affiliate with a written acknowledgment and consent (the **Director's Consent**, in

the form of Part B to the attached Schedule A). The Director's Consent will allow the Affiliate to rely on the exemption granted in this Order by varying the Order to specifically name the Affiliate as an Applicant to this Order. The Affiliate may not rely on this Order until it has received the Director's Consent.

4. If, after reviewing the Notice, the Director provides a written notice of objection (the **Objection Notice**) to the Affiliate, the Affiliate will not be permitted to rely on the exemption granted under this Order. However, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

5. Subsection 78(1) of the CFA provides that the Commission may, on the application of a person or company affected by the decision, make an order revoking or varying a decision of the Commission if, in the Commission's opinion, the order would not be prejudicial to the public interest. Further, subsection 3.1(1) of the CFA provides that a quorum of the Commission may assign any of its powers and duties under the CFA (except powers and duties under section 4 and Part IV) to the Director.

6. None of the Applicants are or will be registered in any capacity under the CFA. The Named Applicant is registered under the *Securities Act* (Ontario) (the **OSA**) as an international adviser in the categories of investment counsel and portfolio manager.

7. The Named Applicant is the investment adviser to the First Quadrant Customized Global Macro Fund Ltd. (the **Existing Fund**) including having discretionary investment authority over the assets of the Existing Fund. The Existing Fund is organized under the laws of the Cayman Island. The Applicants may in the future establish or advise certain other mutual funds, non-redeemable investment funds or similar investment vehicles (together with the Existing Fund, the **Funds**).

8. The Funds may, as a part of their investment program, invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside of Canada and primarily cleared through clearing corporations outside of Canada.

9. The Funds advised by the Applicants are and will be established outside of Canada. Securities of the Funds are and will be primarily offered outside of Canada to institutional investors and high net worth individuals. Securities of the Funds will be offered to a small number of Ontario residents who will be, at the time of their investment, institutional investors or high net worth individuals that qualify as an "accredited investor" under National Instrument 45-106 – *Prospectus and Registration Exemptions* of the OSA and will be distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

10. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser. Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in "contracts", and "contracts" means commodity futures contracts and commodity futures options.

11. By advising the Funds on investing in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, the Applicants will be providing advice to Ontario investors with respect to commodity futures contracts and commodity futures options and, in the absence of being granted the requested relief, would be required to register as advisers under the CFA.

12. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in section 25(1)(c) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.10 (Privately Placed Funds Offered Primarily Abroad) of OSC Rule 35-502 – *Non Resident Advisers* (**Rule 35-502**).

13. As would be required under section 7.10 of Rule 35-502, securities of the Funds are, or will be:

    (a) primarily offered outside of Canada;

    (b) only distributed in Ontario through one or more registrants under the OSA; and

    (c) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

14. In advising the Funds, the Applicants will either hold the required registrations under the OSA or will rely on an appropriate exemption from the adviser registration requirements under the OSA.

15. Each of the Applicants, where required, is or will be appropriately registered or licensed or is, or will be, entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of its principal jurisdiction. In particular, the Named Applicant is:

    (i) registered as an investment adviser with the U.S. Securities and Exchange Commission, and as a commodity trading adviser and a commodity pool operator with the U.S. Commodity Futures Trading Commission; and

    (ii) regulated in the United States by the Securities and Exchange Commission under the *U.S. Investment Advisers Act* of 1940 and qualified as an "Investment Manager" (as defined in the *United States Employee Retirement Income Security Act* of 1974) and a "Qualified Professional Asset Manager" within the meaning of Prohibited Transaction Exemption 84-14 issued by the U.S. Department of Labor.

16. All of the Funds issue securities which are offered primarily abroad. None of the Funds has any intention of becoming a reporting issuer in Ontario or in any other Canadian jurisdiction.

17. Prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents will receive disclosure that includes:

    (a) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

    (b) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with the Commission under the CFA and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the relevant Fund.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 80 of the CFA that each of the Applicants are exempted from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds, for a period of five years, provided that at the relevant time that such activities are engaged in:

(a) each Applicant, where required, is registered or licensed, or is entitled to rely on appropriate exemptions from such registrations or licences, to provide advice to the relevant Fund pursuant to the applicable legislation of its principal jurisdiction;

(b) the Funds invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada;

(c) securities of the Funds are:

    (i) primarily offered outside of Canada,

    (ii) only distributed in Ontario through one or more registrants under the OSA; and

    (iii) distributed in Ontario, in reliance on an exemption from the prospectus requirements of the OSA;

(d) the Applicants will either hold the required registrations under the OSA or will rely on an appropriate exemption from the adviser registration requirements under the OSA;

(e) prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents received disclosure that includes:

    (i) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

(ii) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with or licensed under the CFA, and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the relevant Fund; and

(f) each Applicant either:

(i) is specifically named in this Order; or

(ii) has filed with the Commission the Notice and received the Director's Consent.

AND IT IS FURTHER ORDERED pursuant to subsection 3.1(1) of the CFA that the Commission assigns to each Director, acting individually, the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of the Named Applicant as an Applicant to this Order (as described in paragraphs 2, 3 and 4 above) by providing such Affiliate with the Director's Consent, provided that, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

November 30, 2007

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"James E. A. Turner"
Commissioner
Ontario Securities Commission

Schedule A

To: Manager, Registrant Regulation
Ontario Securities Commission

From: _____ (the **Affiliate**)

Re: In the Matter of *First Quadrant, L.P.* (the **Named Applicant**)

OSC File No.: 2007/0876

Part A: Notice to the Ontario Securities Commission (the Commission)

The undersigned, being an authorized representative of the Affiliate, hereby represents to the Commission that:

(a) on November ___, 2007, the Commission issued the attached order (the **Order**), pursuant to section 80 of the *Commodity Futures Act* (Ontario) (the **CFA**), that each of the Applicants (as defined in the Order) is exempt from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds (as defined in the Order), for a period of five years;

(b) the Affiliate, is an affiliate of the Named Applicant;

(c) the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and hereby applies to the Director, under section 78 of the CFA, to vary the Order to specifically name the Affiliate as an Applicant to the Order;

(d) the Affiliate has attached a copy of the Order to this Notice;

(e) the Affiliate confirms the truth and accuracy of all the information set out in the Order;

(f) this Notice has been executed and filed with the Commissioner at least ten (10) days prior to the date on which the Affiliate wishes to begin relying on the Order; and

(g) the Affiliate has not, and will not, rely on the Order until it has received a written acknowledgment and consent from the Director as provided in Part B herein.

Dated this ____ day of _____, 20___.

_____
By: Name:
Title:

Part B: Acknowledgment and Consent by Director

I acknowledge receipt of your Notice, dated _____, 20__, providing the Commission with notice, as described in the Order, that the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and has applied to have the Order varied to specifically name the Affiliate as an Applicant to the Order.

Based on the representations contained in the Order and in your Notice, I do not consider it prejudicial to the public interest to vary the Order to specifically name the Affiliate as an Applicant to the Order and do hereby so vary the Order.

Dated this ____ day of _____, 20___.

_____
Name:
Title:
Ontario Securities Commission

2.2.9 Imagin Diagnostic Centres Inc. et al.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED**

AND

**IN THE MATTER OF
IMAGIN DIAGNOSTIC CENTRES INC.,
PATRICK J. ROONEY, CYNTHIA JORDAN,
ALLAN McCAFFREY, MICHAEL SHUMACHER,
CHRISTOPHER SMITH, MELVYN HARRIS AND
MICHAEL ZELYONY**

ORDER

WHEREAS on September 28, 2007 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to s. 127 of the S*ecurities Act*, R.S.O. 1990, c. S.5, to consider whether it is in the public interest to make certain orders against Imagin Diagnostic Centres Inc. ("Imagin"), Patrick J. Rooney ("Rooney"), Cynthia Jordan ("Jordan"), Allan McCaffrey ("McCaffrey"), Michael Shumacher ("Shumacher"), Christopher Smith ("Smith"), Melvyn Harris ("Harris") and Michael Zelyony ("Zelyony"), collectively, the "Respondents";

AND WHEREAS on October 5, 2007, counsel for the Commission and counsel for Imagin, Rooney, Jordan, McCaffrey, Shumacher, Smith and Zelyony attended and requested that the matter be adjourned to December 5, 2007 in order to review disclosure and have a pre-hearing conference on or before that date;

AND WHEREAS on October 5, 2007, Tom Anderson, Senior Investigator on this matter spoke with Harris and Harris stated that he was content that this matter be adjourned to December 5, 2007;

AND WHEREAS on November 30, 2007, Harris sent a fax indicating that he would not be able to attend on December 5, 2007 and previously indicated that he was content that this matter be adjourned;

AND WHEREAS on December 5, 2007, counsel for the Commission and counsel for Imagin, Rooney, Jordan, McCaffrey, Shumacher, Smith and Zelyony attended and requested that the matter be adjourned to February 22, 2008 in order to have a pre-hearing conference on that date;

IT IS HEREBY ORDERED on consent that this matter be adjourned to February 22, 2008 for the purpose of setting a hearing date.

DATED at Toronto this 5th day of December, 2007

"James E. A. Turner"

2.2.10 Canadian National Railway Company - s. 1042(c)

Headnote

Clause 104(2)(c) - Issuer bid - relief from issuer bid requirements in sections 95, 96, 97, 98 and 100 of the Act - Issuer proposes to purchase, at a discounted purchase price, approximately 5,000,000 of its common shares from one shareholder and/or such shareholder's affiliates - due to discounted purchase price, proposed purchases cannot be made through TSX trading system - Issuer cannot rely on exemption available under section 93(3)(e) of the Act from issuer bid requirements because proposed purchases cannot be made through the facilities of the TSX - but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the sale shares in reliance upon the issuer bid exemption available under section 93(3)(e) of the Act and the block purchase exception available under TSX rules - no adverse economic impact on or prejudice to issuer or public shareholders - proposed purchases exempt from issuer bid requirements in sections 95, 96, 97, 98 and 100 of the Act, subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93(3)(e), 95, 96, 97, 98, 100, 104(2)(c).

November 27, 2007

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c.S.5, AS AMENDED (the Act)**

AND

**IN THE MATTER OF
CANADIAN NATIONAL RAILWAY COMPANY**

**ORDER
(Clause 104(2)(c))**

UPON the application (the **Application**) of Canadian National Railway Company (the **Issuer**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 95, 96, 97, 98 and 100 of the Act (the **Issuer Bid Requirements**) in connection with the proposed purchases by the Issuer of up to 5,000,000 (the **Subject Shares**) of its common shares (the **Common Shares**) from one shareholder and/or such shareholder's affiliates (collectively, the **Selling Shareholders**);

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Issuer having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office and registered office of the Issuer are located at 935 de La Gauchetière West, Montreal, Quebec, H3B 2M9.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the Common Shares of the Issuer are listed for trading on the Toronto Stock Exchange (the **TSX**) and the New York Stock Exchange. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized common share capital of the Issuer consists of an unlimited number of Common Shares, of which 489,514,735 were issued and outstanding as of November 23, 2007.

5. As of the date of this Order, the Selling Shareholders own at least 5,000,000 Common Shares.

6. The Issuer wishes to purchase Subject Shares from one or more of the Selling Shareholders. Each of the Selling Shareholders does not directly or indirectly own more than 5% of the issued and outstanding Common Shares and is not an "insider" of the Issuer or "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. In addition, each of the Selling Shareholders has its corporate headquarters in Toronto, Ontario and is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**).

7. On July 26, 2007, the Issuer commenced a normal course issuer bid (its **Normal Course Issuer Bid**) for up to 33,000,000 Common Shares through the facilities of the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **TSX NCIB Rules**). As at November 20, 2007, 13,425,000 Common Shares have been purchased under the Normal Course Issuer Bid.

8. The Issuer and the Selling Shareholders intend to enter into one or more agreements of purchase and sale (each, an **Agreement**), pursuant to which the Issuer will agree to acquire the Subject Shares from the Selling Shareholders by one or more purchases occurring prior to February 29, 2008 (each such purchase, a **Proposed Purchase**) for a purchase price (the **Purchase Price**) that will be negotiated at arm's length between the Issuer and the Selling Shareholders. The Purchase Price will be at a discount to the closing price and below the bid-ask price for the Issuer's Common Shares at the time of the each Proposed Purchase.

9. The Subject Shares acquired under each Proposed Purchase will constitute a "block", as that term is defined in section 628 of the TSX NCIB Rules.

10. The purchase of the Subject Shares by the Issuer pursuant to each Agreement will constitute an "issuer bid" for purposes of the Act, to which the Issuer Bid Requirements would apply.

11. Because the Purchase Price will be at a discount to the closing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholders in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to Section 93(3)(e) of the Act.

12. But for the fact that the Purchase Price will be at a discount to the closing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a **Block Purchase**) in accordance with Section 629(1)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to Section 93(3)(e) of the Act. The notice of intention to make a normal course issuer bid filed with the TSX by the Issuer contemplates that purchases under the bid may be made by such other means as may be permitted by the TSX, including private agreements under an issuer bid exemption order issued by a securities regulatory authority.

13. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholders in reliance upon the exemption from the dealer registration requirements of the Act that is available as a result of the combined effect of Section 2.16 of NI 45-106 and Section 4.1(a) of Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions*.

14. Management is of the view that the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer will be able to purchase the Common Shares under its Normal Course Issuer Bid and management is of the view that this is an appropriate use of the Issuer's funds.

15. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and it will not materially affect control of the Issuer. The Proposed Purchases will

be carried out with a minimum of cost to the Issuer.

16. To the best of the Issuer's knowledge, as of November 23, 2007, the public float for the Common Shares consisted of approximately 487,926,951 Common Shares, which represents approximately 99.68% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

17. The market for the Common Shares is a "liquid market" within the meaning of Section 1.2 of Commission Rule 61-501.

18. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.

19. At the time that each Agreement is entered into by the Issuer and the Selling Shareholders and at the time of each Proposed Purchase, neither the Issuer nor the Selling Shareholders will be aware of any undisclosed material change or any undisclosed material fact in respect of the Issuer that could reasonably be expected to affect the value of the Common Shares.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with each Proposed Purchase, provided that:

(a) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB rules during the calendar week that it completes each Proposed Purchase and may not make any further purchases under its Normal Course Issuer Bid for the remainder of that calendar day;

(b) the purchase of the Subject Shares by the Issuer will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(c) the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase by the Issuer and the Selling Shareholders;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to its Normal Course Issuer Bid and in accordance with the TSX NCIB Rules; and

(e) immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholders, the Issuer will report the purchase of the Subject Shares to the TSX.

"David L. Knight"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.2.11 Land Banc of Canada Inc. et al. - ss. 126, 127

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
LAND BANC OF CANADA INC.,
LBC MIDLAND I CORPORATION,
FRESNO SECURITIES INC.,
RICHARD JASON DOLAN, MARCO LORENTI,
AND STEPHEN ZEFF FREEDMAN

ORDER
SECTION 126 and 127

WHEREAS on the 23rd day of April, 2007, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading by Land Banc of Canada ("LBC"), LBC Midland I Corporation ("Midland"), Fresno Securities Inc. ("Fresno"), Richard Jason Dolan ("Dolan"), Marco Lorenti ("Lorenti") and Stephen Zeff Freedman ("Freedman"), (the "Respondents"), in any securities of Midland or any other corporation controlled by LBC, Dolan or Lorenti shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on the 23rd day of April, 2007, the Commission issued a Direction under s.126(1) of the Act to the Bank of Montreal branch at 2851 John St., in Markham, Ontario (the "BMO Markham Branch") to retain all funds, securities or property on deposit in the name of or otherwise under control of Midland at the BMO Markham Branch (the "Direction");

AND WHEREAS on the 30th of April, 2007 the Direction was continued on consent at the Superior Court of Justice (the "Court") until further notice of the Court but without prejudice to Midland to apply to the Commission to vary the Direction under s.126(7);

AND WHEREAS on May 1, 2007, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS on May 8, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until May 17, 2007;

AND WHEREAS on May 17, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until June 29, 2007;

AND WHEREAS on June 29, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until August 7, 2007;

AND WHEREAS on August 7, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until September 19, 2007;

AND WHEREAS on September 18, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until October 24, 2007;

AND WHEREAS on October 24, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until December 3, 2007;

AND WHEREAS on December 3, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until February 14, 2008;

AND WHEREAS on December 3, 2007, after further consideration amongst the parties, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until February 15, 2008;

AND WHEREAS upon submissions from counsel for Staff of the Commission and from counsel for LBC, Midland, Dolan and Lorenti;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT

1. the Temporary Order is continued until February 15, 2008 against LBC, Midland, Dolan and Lorenti with the following amendments respecting Dolan and Lorenti, until further order of the Commission;

2. Dolan shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) and through a dealer registered with the Commission;

3. Lorenti shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) through a dealer registered with the Commission;

4. the Direction is continued until February 15, 2008 subject to the payment of expenses related to Midland approved by Staff in writing; and

5. this Order shall not affect the right of LBC, Midland, Dolan and Lorenti to apply to the Commission to clarify or revoke the Temporary

Order or Direction prior to February 15, 2008 upon three days notice to Staff of the Commission.

Dated at Toronto this 5th day of December, 2007

“Patrick J. LeSage”

“Suresh Thakrar”

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 John Alexander Cornwall et al. - ss. 127, 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
JOHN ALEXANDER CORNWALL, KATHRYN A. COOK,
DAVID SIMPSON, JEROME STANISLAUS XAVIER,
CGC FINANCIAL SERVICES INC. AND FIRST FINANCIAL SERVICES

REASONS AND DECISION
(Section 127 and 127.1 of the Securities Act)

Hearing:	February 21-23, 2007, April 23-25 and May 23-24, 2007		
Decision:	November 30, 2007		
Panel:	Robert L. Shirriff, Q.C.	-	Commissioner (Chair of the Panel)
	David L. Knight, FCA	-	Commissioner
	Margot C. Howard, CFA	-	Commissioner
Counsel:	Sean Horgan	-	For Staff of the Ontario Securities Commission
	Alistair Crawley Anna Markiewicz	-	For Jerome Stanislaus Xavier
	Ian Smith	-	For Kathryn A. Cook
	John Alexander Cornwall	-	For himself and CGC Financial Services Inc.
	David Simpson	-	For himself and First Financial Services

OVERVIEW

A. The Hearing
B. The Respondents
   1) Cornwall and CGC Financial
   2) Simpson and First Financial
   3) Xavier
   4) Cook
C. Private Companies to which the Allegations Relate
   1) Themis
   2) Stramore
   3) Faelen
   4) Camcys
D. Alleged Violations of the Act and Conduct Contrary to the Public Interest

PRELIMINARY ISSUES

A. Unrepresented Respondents
B. Cornwall's Absence February 22, 2007 and February 23, 2007

REASONS AND DECISION

OVERVIEW

A. The Hearing

[1] This was a hearing before the Ontario Securities Commission (the "Commission") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make an order against John Alexander Cornwall ("Cornwall"), Kathryn A. Cook ("Cook"), David Simpson ("Simpson"), Jerome Stanislaus Xavier ("Xavier"), CGC Financial Services Inc. ("CGC Financial") and First Financial Services ("First Financial") (collectively "the Respondents").

[2] This matter arose out of a Notice of Hearing issued by the Commission on November 7, 2003 and an Amended Amended Statement of Allegations issued by Staff of the Commission ("Staff") on August 18, 2004.

[3] Staff alleged that the Respondents were involved in an illegal distribution of shares in four private companies. They alleged that the Respondents sought out persons with locked-in retirement savings plans ("RSPs") who wanted to access the funds in these plans. It was alleged that the Respondents convinced these persons that they could access these funds by transferring their current locked-in RSP investments to an investment in one of the four private companies. Once their investment was transferred to an investment in the private companies, the Respondents would lend them a portion of the invested amount, requiring the private company shares as collateral for the loan. The alleged scheme is described more fully below at paragraphs 26-29 of these Reasons.

[4] Staff alleged the Respondents returned 65% to 70% of the funds invested to the investors in the form of loans and kept the remaining 30% to 35% for themselves in fees and other forms of compensation. Staff further alleged that the consequences for the investors included substantial tax liabilities with respect to their formerly locked-in RSP accounts.

[5] Staff seeks the following order under sections 127 and 127.1 of the Act:

(a) pursuant to subsection 127(1) clause 1, that the registration of Cornwall and Xavier be suspended for such period as is specified in the order or be terminated;

(b) pursuant to subsection 127(1) clause 2, that trading in securities by the respondents, Cornwall, Simpson, Xavier and Cook, cease permanently or for such period as the Commission may direct;

(c) pursuant to subsection 127(1) clause 3, that the exemptions contained in Ontario securities law do not apply to the respondents, Cornwall, Simpson, Xavier and Cook permanently, or for such period as specified in the order;

(d) pursuant to subsection 127(1) clause 6, that the Respondents be reprimanded;

(e) pursuant to subsection 127(1) clause 7, that the respondents, Cornwall, Simpson and Xavier resign one or more positions that they hold or may hold as a director or officer of any issuer;

(f) pursuant to subsection 127(1) clause 8, that the respondents Cornwall, Simpson and Xavier be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as the Commission may direct;

(g) pursuant to subsection 127.1 that the Respondents pay the costs of Staff's investigation and the costs related to the hearing that are incurred by or on behalf of the Commission; and

(h) such other orders as the Commission deems appropriate.

[6] We have to decide whether the Respondents engaged in the conduct alleged by Staff and if so, whether it would be appropriate to make an order in the public interest against the Respondents.

B. The Respondents

[7] The Respondents are: Cornwall, CGC Financial, Simpson, First Financial, Xavier and Cook.

1) Cornwall and CGC Financial

[8] Cornwall resides in the Province of Ontario. He was registered under the Act as a salesperson with Global Educational Marketing Corporation from April 11, 2000 to October 5, 2001. Global Educational Marketing was registered under the Act as a Scholarship Plan Dealer.

[9] CGC Financial is an Ontario corporation located at 1010 Polytek St., unit 2, Gloucester, Ontario ("1010 Polytek"). CGF Financial was incorporated on June 14, 2000. Cornwall is the sole shareholder and director of CGC Financial.

2) Simpson and First Financial

[10] Simpson resides in the Province of Ontario and was an unregistered mortgage dealer. Simpson has never been registered in any capacity with the Commission.

[11] First Financial is the business name of 567349 Ontario Ltd., an Ontario corporation located at 6 Gurdwara Rd., Nepean, Ontario ("6 Gurdwara"). 567349 Ontario Ltd. was incorporated on October 14, 1983. Simpson is the sole shareholder and director of First Financial.

3) Xavier

[12] Xavier resides in the Province of Quebec. He has been registered under the Act as a salesperson with Keybase Investments Inc. ("Keybase") since September 23, 1999. At all material times Keybase was registered under the Act as a Mutual Fund Dealer, Limited Market Dealer and Scholarship Plan Dealer, but Xavier's registration only permitted him to sell mutual fund securities. Keybase changed its registration to Mutual Fund Dealer and Limited Market Dealer on December 31, 2001 and changed its name to Keybase Financial Group Inc. on January 1, 2003.

[13] Prior to his registration as a salesperson with Keybase, Xavier was a registered salesperson from October 21, 1992 with various corporations registered as Mutual Fund Dealers and/or Limited Market Dealers.

4) Cook

[14] Cook resides in the Province of Ontario. She is a chartered accountant and has never been registered in any capacity with the Commission.

C. Private Companies to which the Allegations Relate

[15] Staff's allegations, which are described fully below at paragraphs 26-31, relate to securities issued by four private companies ("Private Companies"):

- Themis Hospitality Inc. ("Themis");
- Stramore Inc. ("Stramore");
- Faelen Concepts ("Faelen"); and
- Camcys Inc. ("Camcys").

1) Themis

[16] Themis is an Ontario corporation with a registered address at 1585 Royal Orchard Drive, Cumberland, Ontario. Themis was incorporated on October 21, 1998. Madhu Duthie ("Duthie") and Sakuntala Chinniah were the only directors of Themis. Duthie was also president of Themis. Neither Themis nor Duthie was registered under the Act.

[17] Duthie testified that he incorporated Themis to build a 90-unit retirement residence in Kanata, Ontario. The projected cost of building the residence was $7 million dollars and required mortgage financing of $5.5 to $5.7 million. Duthie arranged for a first and second mortgage for the entire amount. However, the mortgage lender for the first loan required Themis to raise $500,000 through equity financing before it would advance its loan. The retirement facility eventually became operational and was sold by Themis in November 2006.

2) Stramore

[18] Stramore is an Ontario corporation with a registered address at 6 Gurdwara – the same address as First Financial. It was originally incorporated on March 23, 2000 as 1395026 Ontario Limited. It changed its name on August 9, 2000 to Stramore Inc. Simpson was the sole director of Stramore. Neither Stramore nor Simpson was registered under the Act.

[19] Scott Boyle, a senior investigator in the Enforcement Branch of the Commission ("Boyle"), testified that Simpson claimed he incorporated Stramore to build an 18-unit retirement residence in Smith Falls, Ontario. Simpson expected it would cost $1.6 million to build.

[20] Stramore purchased the land for the retirement residence. When Boyle attended the site in April 2001, there was no evidence of any development and his investigation revealed mortgages registered on title to the land in an aggregate principal amount exceeding its purchase price.

3) Faelen

[21] Faelen is an Ontario corporation with a registered address at 1010 Polytek St. – the same address as CGC Financial. Faelen was incorporated on April 26, 2000. Lino Marchi ("Marchi") was the sole director of Faelen. Neither Faelen nor Marchi was registered under the Act. Boyle testified that Marchi sought to create and produce cooking shows as well as to buy or build a high-tech resort in the Ottawa Valley area. As of April 23, 2001, Faelen had not sold any product or generated any revenue.

4) Camcys

[22] Camcys is an Ontario corporation incorporated on November 2, 2000. Its registered office was a Mailboxes Etc. post office box located at 532 Montreal Rd., Suite 410, Ottawa, Ontario. Patrick Roney ("Roney"), Cornwall's son-in-law, was the sole director of Camcys. Neither Camcys nor Roney was registered under the Act.

[23] Camcys was created to provide web design, network engineering designs and layouts, and all-in-one technical services for clients. At the time Camcys was incorporated, it did not have a business plan.

[24] Further, neither Roney nor Camcys had any working capital and there was no business plan for raising money to operate the business. However, Roney did remember speaking with Cornwall about how he could raise money. Roney testified that Camcys never had any employees or assets. He did not recall any sales by or accounts receivables of Camcys; he had only scouted potential clients.

[25] There was evidence that Camcys had an address at 5460 Canotek Rd., unit 102, Gloucester, Ontario. However, Boyle testified that there was no Camcys sign in front of the property and the employees of the business in the neighbouring unit had no information or knowledge of anyone renting the Camcys unit.

D. Alleged Violations of the Act and Conduct Contrary to the Public Interest

[26] Staff alleged that from approximately April, 2000 to March 2001, Cornwall/CGC Financial Services Inc., Simpson/First Financial Services, Xavier, and Cook, participated in a scheme that involved the liquidation of securities in existing locked-in RSP trusts of clients and the transfer of the funds arising from such liquidation to new locked-in RSP trusts created for them. These new trusts then used the funds to purchase shares in one of the Private Companies which were held out to be Canadian Controlled Private Corporations ("CCPCs"). The clients would then receive a loan generally in an amount equal to 65% to 70% of the purchase price of the shares.

[27] Shares of a CCPC can constitute a qualified investment for a locked-in RSP. The criteria for shares in a corporation to qualify as such an investment are prescribed by section 146 of the *Income Tax Act* and Regulations.

[28] Normally, holders cannot access the money in their locked-in RSPs until they reach an eligible age and then only in prescribed amounts, subject to the exception of a government administered hardship program. Funds or assets held in locked-in RSPs cannot be used as collateral nor can they be used for loans.

[29] According to Staff, the transactions in question were carried out as follows:

(a) Clients responded by telephone to newspaper advertisements offering access to funds within locked-in RSPs. Cornwall and/or Simpson would meet the clients and the required documents would be signed, often in blank. In some cases, the documents were sent to clients by courier and returned by mail;

(b) These documents created a new self-directed locked-in RSP account held by a new trustee selected by Xavier. New Client Application forms for Keybase were signed by each client. Keybase was the dealer where Xavier was employed;

(c) The new trustee was directed to purchase shares of the designated Private Company from the proceeds transferred to it. The new trustee would forward the purchase price for the shares to the Private Company and would receive in return share certificates in the name of the client to be held in the client's account; and

(d) The Private Company would then transfer all or a portion of this purchase price to CGC Financial or First Financial. Subsequently, the client would receive a loan from CGC Financial or First Financial based on a percentage of the value of shares purchased in the Private Company. A security interest in these shares was given to whichever of CGC Financial or First Financial made the loan to secure its repayment. In some cases, clients made loan payments to CGC Financial or First Financial on the understanding that if the loan were fully repaid including interest, the Private Company shares would be redeemed and the redemption proceeds paid the client.

[30] Staff alleged that:

(a) In trading shares of the Private Companies, Cornwall, Simpson and Xavier participated in an illegal distribution of securities, contrary to section 53(1) of the *Securities Act*, by trading in these securities for which there was no exemption available;

(b) By failing to ascertain the general investment needs and objectives of the investors who purchased shares of the Private Companies, and the suitability of the proposed purchases or sales of the securities for these clients, Xavier acted contrary to section 1.5 of Ontario Securities Commission Rule 31-505; and

(c) By failing to process trades through Keybase, Xavier acted contrary to section 25(1) of the *Securities Act*.

[31] Staff also alleged that:

(a) Cornwall's conduct, as described above, is contrary to the public interest;

(b) Simpson's conduct, as described above, is contrary to the public interest;

(c) Cook's conduct, as described above, is contrary to the public interest;

(d) Xavier's conduct, as described above, is contrary to the public interest; and

(e) CGC's and First Financial's conduct, as described above, is contrary to the public interest.

PRELIMINARY ISSUES

A. Unrepresented Respondents

[32] Cornwall/CGC Financial and Simpson/First Financial were not represented by counsel but were present at the hearing. They consented at the beginning of the hearing to proceed without the assistance of counsel.

B. Cornwall's Absence February 22, 2007 and February 23, 2007

[33] Cornwall was absent from the hearing on February 22, 2007 and part of February 23, 2007. However he consented to have the hearing proceed in his absence.

C. Sealing Order with respect to documents and financial information

[34] During the hearing, Staff sought a sealing order with respect to certain documents and financial information. Staff submitted that many of the documents presented during the hearing contained a significant amount of personal information, as well as commercially sensitive financial information.

[35] The Panel granted the sealing order, which applies to the portion of oral testimony and exhibits containing personal information and commercially sensitive financial information.

THE ISSUES

[36] The issues for us to determine in this matter are as follows:

- Did Cornwall, Simpson and Xavier participate in an illegal distribution of securities contrary to section 53(1) of the Act by trading in the securities of the Private Companies for which there was no exemption;
- Did Xavier act contrary to section 1.5 of Ontario Securities Commission Rule 31-505 by failing to ascertain the general investment needs and objectives of investors purchasing shares of the Private Companies and the suitability of the proposed purchases or sales of the securities for these investors;
- Did Xavier act contrary to section 25(1) of the Act by failing to process trades through Keybase; and
- Did Cornwall/CGC Financial, Simpson/First Financial, Xavier and Cook engage in conduct contrary to the public interest?

THE ONUS

[37] The standard of proof in Commission proceedings will vary with the subject matter. Where the respondents are not registrants, and any decision by the Panel would not interfere with their ability to earn a livelihood in the securities industry, the standard of proof to be applied is the civil balance of probabilities (See *Re Standard Trustco Ltd. et al.* (1992), 15 O.S.C.B. 4322 at paras. 130-133 and *Re Banks* (2003), 26 O.S.C.B. 3377 at para. 109).

[38] Where the potential consequences of an order that could be imposed by the Commission would interfere with a respondent's ability to earn a livelihood, then the appropriate standard of proof to be applied is "clear and convincing proof based upon cogent evidence" (See *In the Matter of Piergiorgio Donnini* (2002), 25 O.S.C.B. 6225, at paras. 100-101; *Donnini v. Ontario Securities Commission*, [2003] O.J. No. 3541 (Div. Ct.), appeal allowed on other grounds; *Donnini v. Ontario (Securities Commission)*, [2005] O.J. No. 240 (C.A.), appeal allowed on other grounds; *Re Lett* (2004), 27 O.S.C.B. 3215, at paras. 30-34).

[39] Accordingly, in the circumstances of this case, Staff submitted that the Panel should make its determination as to whether Xavier violated the Act and acted contrary to the public interest on clear and convincing proof based upon cogent evidence. We agree with this submission.

THE EVIDENCE

A. Overview of the Evidence

[40] Staff presented evidence to demonstrate that the Respondents were directly involved in issuing shares to 87 investors for an aggregate investment of $1,957,200 in the Private Companies: Themis, Stramore, Faelen and Camcys.

[41] The documentary evidence introduced by Staff included the following:

- Corporation Profile Reports from the Ministry of Consumer and Commercial Relations showing corporate information such as the registered office address and the names of directors and officers;
- Section 139 certificates from the Commission setting out the registration status of individuals or companies;
- Loan documentation relating to loans from either First Financial or CGC Financial to investors. This documentation included (i) loan agreements; (ii) assignments by an investor of his or her shares in the Private Companies to First Financial or CGC Financial as collateral for the loan; (iii) service contracts and fee agreements between the investor and CGC Financial that provided for "professional fees" that were deducted automatically from the loan. There was no evidence presented of service contracts between investors and First Financial;
- Offering memoranda or investor packages for the Private Companies that were allegedly used to attract investors;
- Financial statements including balance sheets for the four Private Companies and interim income statements and cash flow projections for Camcys;
- Qualification letters from Cook opining that the investments in the Private Companies were qualified investments for the investors' RSPs;
- Bank statements for First Financial, CGC Financial, and Xavier;
- Keybase new plan applications, which were completed when an investor first became a Keybase customer;
- Trust account opening forms, account information, and transfer authorization forms for the following trust companies: Laurentian Bank of Canada, B2B Trust, Canadian Western Trust and MRS Trust; and
- Transcripts of interviews with Simpson, Cornwall, Xavier, Cook, Duthie, Roney and Marchi.

[42] Staff called eight witnesses during the hearing:

- Boyle, a senior investigator in the Enforcement Branch of the Commission;
- Duthie;
- Roney;
- Investor One, a client who purchased shares in Camcys;
- Investor Two, a client who purchased shares in Themis;
- Investor Three, a client who purchased shares in Faelen;

- Investor Four, a client who purchased shares in Themis; and
- Investor Five, a client who purchased shares in Stramore.

[43] These five investors testified as to how they became involved in the investment/loan scheme, their financial status, the extent of their interaction and communication with each of the Respondents, their understanding of the transactions and the ultimate financial impact of these transactions. The investors reviewed various documents identifying whether they had in fact signed the documents or had seen the documents before making the investments. We discuss their evidence in detail below.

B. Hearsay Evidence

[44] Some of the oral and documentary evidence Staff presented at the hearing was hearsay evidence. This hearsay evidence fell into the following categories:

(a) Transcripts of interviews between Boyle and the individual respondents;

(b) Transcripts of interviews between Boyle and Marchi;

(c) Documents collected in the course of Staff's investigation; and

(d) Oral testimony of witnesses during the hearing with respect to statements made by third persons presented to establish facts alleged in those statements.

[45] Subsection 15(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 governs the admission of evidence in proceedings before the Commission. It provides that the Panel may admit any relevant oral testimony, document or other thing as evidence at a hearing "whether or not [it would have been] admissible as evidence in a court." This permits the Panel to admit hearsay evidence, subject to considerations of relevance and reliability.

[46] Issues arose with respect to two of the transcripts.

1) Transcripts of interviews between Boyle and individual Respondents

[47] An issue arose during the hearing with respect to the admissibility of transcripts of Boyle's interviews with the individual respondents.

[48] Staff argued these transcripts, in their entirety, are admissible for the truth of their contents. They argued that the statements made in the transcripts are admissions against interest, which have always been an exception to the hearsay rule.

[49] Staff relied on the Supreme Court's decision in *R. v. Terry*, [1996] 2 S.C.R. 207 where it stated at para. 28:

> An admission against interest made by the accused is admissible as a recognized exception to the hearsay rule, provided that its probative value outweighs its prejudicial effect.

[50] Staff argued that in this case the probative value was extremely high because the transcripts relate to the exact allegations in issue before the Panel. They further argued that there was no prejudicial effect. They argued that prejudicial effect arises when such statements are used for an improper purpose or are gleaned from prejudicial information that should not be relied upon in the reasoning process. They argued these transcripts do not contain any such information.

[51] However, Staff conceded that a respondent's statements in the transcripts would only be admissible against him, and not against the other respondents.

[52] Xavier argued that *R. v. Terry* is distinguishable because it dealt with the admission of an accused's statement in a proceeding where he had no co-accused. In the instant case, he argued, there are four different individual respondents. He argued that the prejudice in this circumstances arises where Staff succeeds in admitting the transcript of one respondent's interview and uses that transcript against another respondent, such as himself. He argued that he would have no opportunity to cross-examine the respondent whose transcript was being relied on.

[53] However, Xavier did not object to the transcripts of a respondent being used against that respondent only and not the other respondents.

[54] Xavier also argued that it would not be appropriate to admit the transcripts through Boyle, but rather counsel for Staff should read into the record the relevant portions of the transcripts they seek to admit.

[55] We decided at the hearing to admit the transcripts of Boyle's interviews with each of Cornwall, Simpson, Xavier and Cook, for use only against that individual, subject to the transcripts being introduced through Boyle.

2) Transcript of interview between Boyle and Marchi

[56] An issue arose during the hearing with respect to the admissibility of transcripts of Boyle's interviews with Marchi. Staff argued that Marchi's transcript was admissible under the principled approach to admitting hearsay evidence. Staff relied on the Supreme Court's decisions in *R. v. Khan*, [1990] 2 S.C.R. 531, *R. v. B. (K.G.)*, [1993] 1 S.C.R. 740, and *R. v. Smith*, [1992] 2 S.C.R. 915, which state that hearsay evidence is admissible subject to considerations of necessity and reliability.

[57] Staff argued Marchi's transcript was necessary because Marchi was suffering from a medical condition and that he was unable to travel. With respect to reliability, Staff noted that statements in Marchi's transcript were made under oath with a court reporter.

[58] Xavier argued that the Panel has power to call any witness, including Marchi. He argued that the Respondents and Panel are entitled to the best evidence available. He argued it is unfair to deny a respondent the opportunity to cross-examine a witness.

[59] We decided at the hearing that the transcript of Boyle's interview of Marchi was admissible. We stated that we would have preferred to hear from Marchi directly and for the respondents to have the opportunity to cross-examine him. However we decided that these considerations would go to the weight we give this transcript.

[60] We added that the Respondents would also be able, as part of the hearing, to comment on any particular portion of the transcript they chose, or to direct the Panel's attention to those portions they considered to be relevant to the case they wished to put forward.

ANALYSIS

A. Involvement of the Respondents with the Transactions

[61] The Respondents' involvement in these transactions can be divided into four overlapping periods:

(a) Themis – April to October 2000

(b) Stramore – May 2000 to March 2001

(c) Faelen – June 2000 to March 2001

(d) Camcys – September 2000 to February 2001.

[62] While Simpson and First Financial were only involved in the distribution of shares of Themis and Stramore, all other respondents were involved in the distribution of shares of all the Private Companies.

[63] At the hearing Simpson described the program and the involvement of the Respondents in the program as follows:

> MR. SIMPSON: The investment program is basically what we see here. Telco Financial were raising money through the RRSPs and investing in small business. […]
>
> THE CHAIR: Collapsing RRSPs? Is that what you're saying?
>
> MR. SIMPSON: I wouldn't use the term "collapsing". They were raising money through taking money out of the RRSPs through the financial dealers. And at this point in time I might say, yes, collapsing RRSPs. But at that point in time it was a way for them to access RRSP money, which they were in turn representing that they were investing in small business. And at that time we didn't know about the loans.
>
> …
>
> Ron convinced me that there was nothing wrong with the program. He was prepared to set it up and do it himself. *I ended up setting it up and doing it with John Cornwall instead*.
>
> …

So when I looked at it, I thought it was a way to raise funds for Themis, and in fact it gave them a bit of a boost. As far as John and I were concerned, we didn't make a lot of money on fees. Despite the numbers that we're seeing from Mr. Boyle, the fees associated with raising the money was somewhere in the neighbourhood of $100,000, which John and I split. We paid some out to Kathryn Cook and to other – we paid for newspaper advertising.

…

As far as Stramore is concerned, Stramore is my own company.

…

So in my eyes, at that time both Themis and Stramore were viable companies. Both of them are still in business today. We've – in the case of Themis, as we've heard Mr. Duthie – Mr. Duthie's testimony, he has – he has repaid some of the money that he received. The amount that each investor put in, if we say that was 100 per cent, they have all, with the loan and with the repayment from Themis, they've all received back probably 80 or 85 per cent of the amount that they put in.

…

It was always my intent that the money that went into Themis and the money that went into Stramore would eventually go back to the investors. They had received – they had received 65 or 70 per cent of the money invested by way of a loan. The balance would be recovered – the entire program was set up so that had they all, in a perfect world, repaid all of their loans, the money that they repaid on their loans would then be returned to Themis.

Themis or Stramore would then contribute back the portion that they received in the initial part of the investment to make the entire investment whole again. And there would actually be the loan plus the 5 per cent or the 6 per cent interest rate on the loan, along with the money that Themis used for the seven-year period, would in fact create a sufficient pool to be able to buy the shares back that Themis had sold initially. And so when you make the two whole again, there would be more than 100 per cent returned to the RRSP at the end of seven years. And that was the concept, and that was the way it was set up for these two companies.

…

THE CHAIR: In the case – it may be different for Themis, say, and Stramore, but if you took a sum like $10,000 – let's just use that sum, for example – and this was obtained by collapsing a LIRA RSP, and it was used, what, for – initially to purchase shares in, say, Themis.

…

THE CHAIR: So Themis would receive $10,000.

MR. SIMPSON: Yes.

THE CHAIR: Now, then there would be a loan – there would be certain charges, fees and charges. Can you just tell me briefly what they are? Because I want to – I'm interested in knowing, if Themis captured any of the proceeds, how much of that $10,000 did it keep? So [apportion] the sum, and explain to me where the money went.

MR. SIMPSON: If Themis sold $10,000 worth of their shares, they would get a cheque from one of the trust companies, be it Laurentian, whichever one. There would be a cheque come to Themis Hospitality for $10,000. Themis would keep about 25 per cent of it, so roughly [$2,500, maybe $3,000,] …

THE CHAIR: For corporate purposes.

MR. SIMPSON: For corporate purposes. So that would remain in the company for them to use. The balance – the $7,000 would come to First Financial. First Financial would then meet with the client –

THE CHAIR: Let me stop you there. It would go to First Financial by what means? Themis would buy shares in First Financial?

MR. SIMPSON: No, it was an investment arrangement between Themis and First Financial.

THE CHAIR: And what were the terms of that arrangement, roughly?

MR. SIMPSON: The terms were that Themis would issue a cheque to First Financial. It was actually supposed to be set up as an share purchase in First Financial. And so Themis would invest 7,000 in First Financial. First Financial would then invest it subsequently, and the investment subsequent was simply the loan back to the RRSP holder.

THE CHAIR: [Less] the charges.

MR. SIMPSON: There was approximately 15 per cent of the loan amount, I believe, deducted in charges.

THE CHAIR: So that would be 15 per cent of the –

MR. SIMPSON: $7,000.

THE CHAIR: – $7,000. And the 15 per cent would cover – what would it cover? Mr. Xavier's charges.

MR. SIMPSON: Correct. *There was $100 initially paid to Kathryn Cook per deal. That increased to, I think [$200]. There was a small fee to Mr. Xavier. And Mr. Cornwall and I would pay for some advertising out of the balance and split what was left over.*

THE CHAIR: So on that basis [a loan] would be $6,000.

MR. SIMPSON: *That's correct. And the $1,000 would – 100 would go to Kathryn, perhaps 200 to Jerome or 100 to 200, 250, initially. We'd pay the newspaper advertising and split the difference.* So had the investor that received the loan repaid the loan with the – it would have accumulated back to an amount more than $7,000, which, at the end of seven years, would then buy back the First Financial shares, which would give Themis back the 7,000, plus the interest, and they would then put back the $3,000 that they received originally. So they would have the 3- plus the 7- to make the 10-, plus the interest on the loan portion of it, to bring it up to some number above the $10,000, which would then be used to re-buy Themis shares. And so that was the program that was set up, and that's the way it, in theory, was supposed to work. Unfortunately, virtually all of the cheques that were received as loan payments were returned NSF. The Bank of Montreal that I dealt with at that time and still deal with had threatened to cancel my account should I deposit any more uncertified cheques from the investors, and so we stopped collecting almost immediately. Most of them were returned NSF in any event. And so that was really the basis of the investment program. We foolishly relied on Mr. Nadeau's assurances that the program that Telco Financial had set up in Montreal was fully legal. Gowlings had indicated to me that they could probably prepare a legal document, and had we gone about it properly in the beginning, indicated that we could probably still be selling shares today had we prepared it properly from day one. So anyways, foolishly, I didn't. Foolishly, we've come to this situation, which I deeply regret. But that's basically – basically what I...

…

MR. SIMPSON: *I prepared the documents for both Themis and Stramore. My contact was substantially with Mr. Cornwall. John and I prepared the ads and did the advertising, and Jerome was in the background doing the paperwork.*

THE CHAIR: Well, now, what would happen? Somebody would respond to an ad or –

MR. SIMPSON: Correct.

THE CHAIR: John Smith responds to an ad.

MR. SIMPSON: Yes.

THE CHAIR: And then what happens after that? Just take me through it. Take me through an example.

MR. SIMPSON: Again, it would – I didn't contact – I didn't – John answered the ads in the paper and dealt directly with the respondents from the – and so John looked after a lot of the paperwork, so I don't have a lot of background into how the mechanics of it worked. I'm the type of person that likes to flick the switch, and if the lights work, they work. If they don't – so I apologize, sir. I just – I don't have a lot of background. I know that John looked after a lot of the paperwork.

THE CHAIR: And what was Mr. Xavier's role?

MR. SIMPSON: Again, he was someone that worked with John in the background. I don't have a lot of input into who did the paperwork or how it was done.

THE CHAIR: But the documents – the arrangement would involve selling to these investors or their trusts shares of Themis or shares of Stramore.

MR. SIMPSON: Correct.

THE CHAIR: Securities, in other words.

MR. SIMPSON: Correct.

THE CHAIR: And did it ever occur to you that securities laws might require certain refinements with respect to that sale, that you might have to have the shares sold through – under a prospectus or under an existing exemption from the prospectus or sold through a registered representative of some sort?

MR. SIMPSON: *Well, yes, it did, but I did believe at that time that there was an exemption, that for a small business, that you could – you could bring in up to 25 investors without going through a full-blown prospectus or offering memorandum.* They were very expensive documents to have done, and – but I thought that there was an exemption for a small business, just so long as we kept it under 25 shares. And that was Mr. Nadeau's feeling as well. He was a representative. I don't know how you would term his position with Telco Financial. But he had indicated that their lawyers in Montreal had given them the go-ahead. There were other firms that were advertising in the paper, selling similar investments. And so we were under – and I have – as I indicated, we did it quickly. Themis needed funding. They were desperate for funds. We needed some short-term funding, and it just wasn't available through other sources at the time. This was an opportunity. *To do a full-blown prospectus would have probably cost $50,000 at the time, would have taken months and months to prepare, and so, as I said, foolishly, we didn't do it.*

THE CHAIR: Did you have any involvement with Faelen [or] Camcys?

MR. SIMPSON: No, I didn't.

THE CHAIR: None at all?

MR. SIMPSON: None.

[Emphasis added.]

[64] In cross-examination by Staff, Simpson further confirmed the involvement of Xavier and Cook in the scheme:

…

Q. And in order to facilitate this entire scheme, you needed somebody who was a registered representative; is that correct?

A. Yes.

Q. And that was Mr. Xavier.

A. Yes.

Q. And you relied on Ms. Cook to provide you an opinion with respect to whether or not it was a qualified investment for tax purposes, correct?

A. Yes.

Q. And without Ms. Cook, this little scheme wouldn't have worked either. Is that fair?

A. Yes.

1) Did Cornwall, Simpson and Xavier participate in an illegal distribution of securities contrary to section 53(1) of the Act by trading in the securities of the Private Companies for which there was no exemption?

(a) The Law

[65] In order to find that there was an illegal distribution, we must be satisfied that: (i) a trade was involved that (ii) constituted a distribution for which (iii) no preliminary prospectus or prospectus was filed, and (iv) there was no available exemption from the prospectus requirement. If all elements are present, the Panel must determine if each Cornwall, Simpson and Xavier traded in the securities in question.

[66] Section 53(1) of the Act provides:

> 53.(1) No person or company shall trade in a security on his, her or its own account or on behalf of any other person or company where such trade would be a distribution of such security, unless a preliminary prospectus and a prospectus have been filed and receipts therefore obtained from the Director.

[67] The term "trade" is defined in section 1(1) of the Act:

> "trade" or "trading" includes,
>
> (a) any sale or disposition of a security for valuable consideration, whether the terms of payment be on margin, instalment or otherwise, but does not include a purchase of a security or, except as provided in clause (d), a transfer, pledge or encumbrance of securities for the purpose of giving collateral for a debt made in good faith,
>
> …
>
> (c) any receipt by a registrant of an order to buy or sell a security,
>
> …
>
> (e) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the foregoing.

[68] The term "distribution" is defined in section 1(1) of the Act to mean:

> a trade in securities of an issuer that have not been previously issued.

[69] Section 73(1)(a) together with paragraph 10 of section 35(2) of the Act set out an exemption to the prospectus requirement of section 53. Section 73(1) provides:

> 73(1) Sections 53 and 62 do not apply to a distribution of securities,
>
> (a) referred to in subsection 35(2), excepting paragraphs 14 and 15 thereof;

[70] The relevant portion of section 35(2) reads:

> 35(2) Subject to the regulations, registration is not required to trade in the following securities:
>
> …
>
> 10. Securities of a private company where they are not offered for sale to the public.

(b) Cornwall and the Evidence

[71] Cornwall was registered as scholarship plan dealer under the Act and was the sole director of CGC Financial.

[72] Staff alleged that Cornwall participated in an illegal distribution of securities contrary to section 53(1) of the Act by trading in the securities of the Private Companies where there was no exemption available.

(i) Distribution of Faelen and Camcys shares without a prospectus

[73] In his final written submissions, Cornwall stated:

> Cornwall was introduced to an idea by the responded (sic) Simpson. As per the evidence of Simpson, both respondents researched the idea and sourced out the required licensed agents needed, a Chartered accountant, and a securities dealer. The respondent Cornwall came to the conclusion that it was both legal, and possible to transfer funds from a locked in registered retirement savings plans to purchase shares in controlled private Canadian corporations. This would allow the clients to receive loans on their purchase with the security being the shares of the corporation. The plan was to have the clients pay back the loan and the monies would be returned to the clients' (sic) trust that held their LIRA and redeem the shares of the private corporation. As given in evidence those clients that did repay had their shares redeemed in full. This was a contract agreement. The respondents Cornwall and Simpson honoured the contract by providing the loans. Clients that refused to repay the loans did in fact cause their LIRA to be crashed. I therefore respectfully submit that it was the clients that caused the investments to be crashed and not the respondents that caused the LIRA to be crash (sic).

[74] Further, in his written submissions, Cornwall stated:

> The respondent Cornwall sought the advice of a Chartered Accountant who confirmed to Cornwall, and the respondent Simpson both orally and in writing that what they were doing was appropriate, and that the private corporations were indeed qualified under all tax laws for the province of Ontario and indeed for Canada. The respondent Cornwall, along with Simpson contacted that responded (sic), Kathryn Cook, who provided them with the required documentation, being the letters of opinion (entered as an exhibit). The respondents Cornwall and, Simpson advertised and obtained clients who needed help. The excess monies were to be invested into legitimate investments through the broker and Co-Respondent Xavier. The respondent Cornwall had no further input with any of the excess funds within the annuitants' (sic) account.

[75] Boyle testified that Cornwall was involved in issuing shares in all the Private Companies and in seeking out investors for Faelen and Camcys. In particular, Boyle testified that he had identified that there were 26 investors holding 61,130 Faelen shares and 33 investors holding 115,480 Camcys shares. Their investments totalled $611,300 and $566,400 for Faelen and Camcys, respectively. Boyle testified that there is no record of any Faelen share redemptions and none of the parties presented evidence showing any Camcys share redemptions.

[76] In his voluntary interview, Cornwall admitted that he sought out investors using, in addition to other means, a newspaper ad in the *Toronto Sun*. This ad stated in its entirety "Do you need money from your locked-in RRSP or LIRA? 1-888-877-7765".

[77] With respect to Camcys, Roney testified that Cornwall had raised money for his business through a share offering. He testified that he did not know any of the Camcys investors and never met them. He also did not know how investors were found or what benefits Cornwall was receiving.

[78] Investor One was a Camcys investor and had invested $10,100. He testified that he learned about investing in Camcys through a newspaper ad that discussed getting access to one's locked-in RSP. He contacted the person in the ad and spoke with Cornwall. Cornwall then met with Investor One in his home where he told Cornwall about his $11,000 locked-in RSP. Cornwall explained that he could access part of those funds through a loan by investing in his companies, one of which was a new high-tech "dot-com" company named Camcys. Cornwall gave him a prospectus-like package.

[79] Investor One further testified that Cornwall was the only person he dealt with in respect of his Camcys investment, except for one occasion when he tried to call Xavier.

[80] Investor One testified that he received the Camcys Offering Memorandum, either at his initial meeting with Cornwall or later in the mail. During the hearing, Investor One produced a letter written from CGC Financial that enclosed the Camcys Offering Memorandum.

[81] The offering memoranda for Faelen and Camcys were both titled "Offering Memorandum: Private Corporation Exemption, Class B Common Shares" (the "Faelen Offering Memorandum" and the "Camcys Offering Memorandum"). They stated on their front page that "The securities described herein are offered for sale without a prospectus pursuant to the Private Corporations Exception of the Securities Act." They also stated that each was a "qualified small Business Property as defined in … the Income Tax Act."

[82] With respect to the Faelen Offering Memorandum, it stated the value of Faelen shares was $10 per share. It also stated that Marchi "was in the process of building a Hi-Tech seminar station in the Perth area." Marchi informed Boyle that Faelen did not have a location and that they were still scouting prospective locations.

[83] With respect to the Camcys Offering Memorandum, it stated that the value of Camcys shares was $5 per share and included a sales forecast, pro forma income statements for three years, and a description of the market size with a "conservative estimate of $10,000,000 in sales over three years…" It also stated "Camcys Inc. will be profitable within the first year of operation, and is expected to have … gross sales of over $1,000,000 within the first two years." Roney did not recall ever seeing the Camcys Offering Memorandum and did not know who prepared it. He testified he provided no input into its content and that he did not understand how the shares were valued at $5 per share. He also testified that he did not provide input about the market size, that he was not aware of any sales forecasts for Camcys, and that Camcys did not have any sales.

[84] Finally, Staff presented evidence that financial statements were prepared without regard to either Faelen's or Camcys' actual state of affairs and that Cornwall delivered these financial statements to investors.

[85] Staff presented two balance sheets for each of Faelen (May 30, 2000 and January 30, 2001) and Camcys (November 30, 2000 and February 28, 2001). They also presented an interim income statement and a cash flow projection for the year 2001 for Camcys. Investor One testified that he received the Camcys balance sheets, income statement, and cash flow projection. He produced copies from his records during the hearing.

[86] The Faelen balance sheet as of January 30, 2001 showed assets of $1,036,850 – including $21,000 in cash and $590,000 in long-term investments. However, Faelen's bank account statements showed a balance of approximately $3,300 during the same period and Boyle testified that Faelen had no long-term investments.

[87] The first of Camcys' balance sheets stated that as of November 30, 2000, Camcys had $57,875 in assets. The second balance sheet stated that as of February 28, 2001, Camcys had $728,301 in assets.

[88] Camcys' income statement showed sales of $16,050 and expenses of $11,140 – including $3,000 for salary and wages – for the month ending October 31, 2000. The cash flow projection showed a forecast of income and expenses for 2001 for a 12-month period.

[89] During the hearing Roney was shown the Camcys income statement and cash flow projection. He testified that the income statement was incorrect as Camcys had no sales at the time. Further, he had no employees and did not know of any expenses relating to salary and wages. Roney testified that he was not paid as a director and received no money other than for the purposes of paying Camcys' bills. With respect to the cash flow projection, Roney testified that he had never seen this document and that there were no sales forecasts.

(ii) Flow of funds and documents used to effect share purchases

[90] Staff presented evidence at the hearing to demonstrate the flow of funds from the investors' locked-in RSPs to Faelen and Camcys and subsequently to CGC Financial.

[91] With respect to the flow of funds from the locked-in RSPs to Faelen and Camcys, the evidence showed Xavier played a significant role in that flow of funds; Staff's evidence with respect to Xavier is discussed below.

[92] Staff also presented evidence showing that Cornwall was also involved in creating the necessary documents to effect the share purchases.

[93] Staff presented evidence that Cornwall had investors complete Keybase new plan applications. Investor One testified that during their initial meeting, Cornwall had him sign numerous documents. One of these documents was a Keybase new plan application that Cornwall had filled out dated October 14, 2000. It included a "know your client" section. Investor One remembers discussing his investment knowledge, but does not recall discussing his investment objectives.

[94] Staff also presented evidence showing Cornwall arranged for payments from Faelen and Camcys to CGC Financial.

[95] Roney testified that Cornwall had him write Camcys cheques for large amounts, in the range of $10,000, but he could not remember to whom he made out these cheques. He also testified that Camcys held CGC Financial shares, but he did not know why.

(iii) Cornwall arranged loans to investors using invested amounts

[96] In the Amended Amended Statement of Allegations, Staff alleged Cornwall, through CGC Financial, provided loans to investors using the funds from their investments in Faelen and Camcys.

[97] Staff presented loan documentation for seven Faelen investors and five Camcys investors. This loan documentation included the following:

- Loan agreements between each investor and CGC Financial, seven of which Cornwall had signed on CGC Financial's behalf;
- Assignments of shares, whereby investors assigned their shares in Faelen or Camcys as collateral for the loan. Cornwall had signed seven of these assignments;
- CGC service contracts for some of these investors. The service contracts were either unsigned or signed by Xavier or Cornwall. Those with dollar amounts required the investor to pay "professional fees" ranging from $1,350 to $2,400 in return for the loan;
- Fee agreements for some of the investors.

[98] Staff provided evidence that Cornwall had investors sign these loan documents. Investor One testified that at their initial meeting Cornwall had him sign a loan agreement, an assignment of his Camcys shares, a service contract, and a fee agreement.

(iv) Consequences of the Transactions

[99] Staff presented evidence that Faelen and Camcys investors suffered significant consequences with respect to this scheme. For example, Investor One was reassessed by Revenue Canada and as a result of his participation in the investment and loan transactions, was required to pay $2,000 in taxes.

[100] Investor One testified that he invested $11,000 with Cornwall – $10,100 of which went into Camcys shares. The $10,100 investment was included in Investor One's income for the 2000 taxation year because it failed to meet the criteria for a "qualified investment" under the Income Tax Act and property in his locked-in RSP constituting the Camcys shares was used as security for a loan.

[101] Investor One testified that he actually received $6,500 out of the $11,000 he invested and only made one loan payment. He understood that his failure to make further loan payments meant B2B Trust kept his Camcys shares.

[102] Boyle estimated – based on a figure of 65% of the total amount invested being returned to investors – that Cornwall/CGC Financial received gross proceeds of approximately $367,000. Although this amount is an estimate and is imprecise we do find that Cornwall/CGC Financial received a substantial amount.

(c) Simpson and the Evidence

[103] Simpson was not registered under the Act. He was the sole director of First Financial.

[104] Staff alleged that Simpson participated in an illegal distribution of securities contrary to section 53(1) of the Act by trading in the securities of the Private Companies where there was no exemption available.

(i) Distribution of Themis and Stramore shares without a prospectus

[105] In his written submissions, Simpson confirmed his involvement in the program. He wrote:

> It is my respectful submission that the respondent Simpson was introduced to the investment program by Ron Nadon and as per the evidence of Simpson, he researched the idea and with John Cornwall's assistance sourced out the required licensed agents needed, a Chartered accountant, and a securities dealer. The respondent Simpson came to the conclusion that it was both legal, and possible to transfer funds from a locked in registered retirement savings plan to purchase shares in controlled private Canadian corporations.

> The respondent Simpson believed that both companies, Themis Hospitality Inc. and Stramore Inc. qualified as small business investments. Simpson also believed that it was legal to have as many as 25 shareholders in a private corporation without issuing a prospectus.

[106] Boyle testified that Simpson was involved in issuing shares of and seeking out investors for Themis and Stramore.

[107] Boyle testified that there were 24 investors holding 24,576 Themis shares and six investors holding 16,510 Stramore shares. Their investments in Themis and Stramore totalled $614,400 and $165,100 respectively. However, Staff presented other evidence showing a greater investment in Stramore. Stramore's shareholders' register and deposit slips from its bank account showed that the six Stramore shareholders invested $190,000.

[108] With respect to Themis, Duthie testified that Simpson had suggested a Themis share offering as a means of raising necessary equity and that Simpson would seek out investors. Duthie testified that he never had any contact with the investors and did not know what Simpson had told them. He also did not know what fees, if any, Simpson was collecting.

[109] Duthie testified that in total Themis received approximately $140,000 of the approximately $600,000 invested and that Themis has since redeemed most of the shares at a price of $4 or $5 per share.

[110] Staff also presented evidence showing that Stramore redeemed Investor Six's shares in Stramore for $16,000 on April 9, 2002. This was done in response to Investor Six having paid the entire balance of her loan to First Financial.

[111] Staff also presented two documents Simpson had prepared that resembled offering memoranda.

[112] Each of these documents was titled "Investment Opportunity: Private Corporation Exemption, Class B Common Shares" (the "Themis Offering Memorandum" and the "Stramore Offering Memorandum"). They stated on their front page that "The securities described herein are offered for sale without a prospectus pursuant to the Private Corporations Exception of the Securities Act." They also stated that each was a "qualified Small Business Property as defined in … the Income Tax Act".

[113] The Themis Offering Memorandum stated that the value of Themis shares was $25 per share. Duthie testified that he did not contribute to the contents of the Themis Offering Memorandum and did not see it until after the shares were issued. He testified that he did not know how Simpson decided to value the shares at $25.

[114] The Stramore Offering Memorandum stated the value of Stramore shares was $10 per share. Staff presented a letter Simpson wrote to B2B Trust stating that to the best of his knowledge, "a purchase price of $10 per unit for [Stramore] securities represents the fair market value."

[115] The Stramore Offering Memorandum also identified legal, accounting, engineering and banking consultants who were purportedly connected with the Stramore offering.

[116] Boyle testified that Simpson had told him that the legal consultants "were not necessarily his legal counsel … and that they played no role in approving or creating [the offering memorandum]". Simpson also told him that the accountants "played no role whatsoever in the creation of this document" and "they were unaware that [Stramore] was doing an offering". Simpson told him that the engineers "had … developed some engineering package".

[117] Finally, Staff presented balance sheets for Stramore and Themis each as at May 31, 2000. Staff's evidence demonstrated significant inconsistencies and untrue entries in them.

[118] Stramore's balance sheet showed assets of $194,102.19, which included land at $179,102.19. The total liabilities were $192,548, including a mortgage of $161,000 and $31,000 owing to shareholders.

[119] However, Boyle testified that Stramore's only asset was vacant land purchased for $175,000 in Smith Falls, Ontario and that this land was assessed for tax purposes at $86,000. There were also significant encumbrances on the property. Staff presented evidence from the local land registry office showing three mortgages on the vacant land totalling $236,000. Boyle testified that he had confirmed there had not been any payments on two of the mortgages and that there was no evidence any of the mortgages were discharged.

(ii) Flow of funds and documents used to effect share purchases

[120] Staff presented evidence to demonstrate the flow of funds from investors to Themis and Stramore and subsequently to First Financial.

[121] With respect to the flow of funds to Themis and Stramore, Staff provided evidence that Simpson had an understanding of this flow of funds to Themis and Stramore.

[122] Duthie testified that Simpson explained that of the $25 per share investors paid, $20 was returned to Simpson or First Financial. He testified that, whenever there was a purchase of Themis shares, Themis would receive cheques for amounts reflecting $25 for each share purchased.

[123] Staff also presented evidence showing Simpson arranged for payments from Themis and Stramore to First Financial.

[124] Simpson told Duthie that $20 out of the $25 per share investors paid for Themis shares was returned to Simpson or First Financial. Duthie testified that once he received funds for Themis shares, Simpson had him write cheques to First Financial for amounts equalling $20 per share. Duthie testified that he did not know what First Financial was doing with these funds or about any loans to the investors.

(iii) Simpson arranged for loans to investors using invested amounts

[125] Staff alleged Simpson had First Financial provide loans to investors using the funds invested in Themis and Stramore.

[126] During their investigation, Simpson gave Staff copies of loan documentation for all six Stramore investors. At the hearing, Staff presented these documents with respect to one of the Stramore investors, Investor Seven.

[127] Investor Seven purchased 3,100 shares of Stramore for a purchase price of $31,000. Investor Seven's loan agreement with First Financial provided for a loan to him of $24,800 and was signed by Simpson on behalf of First Financial. Investor Seven had also assigned his 3,100 Stramore shares to First Financial as collateral for the loan. However, Simpson's records showed that Investor Seven's loan was $21,500 and that he received $19,000 and that the following "disbursements" were made with respect to the loan: $1,500 to Cornwall, $200 to Cook, $500 to Xavier, and $300 to Simpson.

[128] Staff also provided loan documentation for Investor Eight, an investor in Themis.

[129] Investor Eight purchased 360 shares of Themis. Investor Eight's loan agreement with First Financial stated that First Financial agreed to loan her $7,200 at an annual interest rate of 5%. The total amount of principal and interest to be repaid was $9,719.64. This was accompanied by an assignment whereby Investor Eight assigned her 360 Themis shares to First Financial until the entire amount of her loan, including interest and any administration costs, was paid. Investor Eight had also signed a service contract requiring her to pay $1,400 in "professional fees" to CGC Financial if she received the loan. It also provided that First Financial would withhold these fees from the loan amount and pay them directly to CGC Financial. Finally, Staff presented evidence that Investor Eight signed a fee agreement.

(iv) Consequences of the Transactions

[130] As a result of their participation in these transactions, Themis and Stramore investors suffered significant consequences. We accept the evidence presented by Staff that subsequent to his involvement in the scheme, Investor Two was required to pay $6,000 in tax to Revenue Canada and that his Themis shares were "cashed out" of his account without him knowing what had happened, and that Investor Four was subsequently required to pay $18,000 to Revenue Canada, which she is still paying.

[131] Based on a figure of 65% of the total amount invested being returned to investors, and Themis retaining $140,000, approximately $130,000 was received by Simpson/First Financial.

(d) Xavier and the Evidence

[132] Staff alleged that Xavier participated in an illegal distribution of securities contrary to section 53(1) of the Act by trading in the securities of the Private Companies where there was no exemption available.

[133] Staff submitted that Xavier, by opening client accounts at Keybase and by processing new client application forms for various trust companies (B2B Trust, Maple Trust, Laurentian Bank and Canadian Western Trust), participated in the transactions. Further, Staff point out that Xavier's name appeared on the documentation as the registered representative/investment advisor.

[134] Xavier provided blank new client application forms for Keybase, blank new client application forms for various trust companies, and blank Revenue Canada T2033 forms to Cornwall to fill out when he met with investors. In a majority of cases, Xavier did not meet personally or speak with the investors at the time these forms were filled out. These forms were returned to Xavier completed and signed, including the know your client information. In some cases, the forms were sent out by courier and returned to his attention. Subsequently, Xavier purported to confirm with the investors the information contained in the forms. Xavier's name appears as the registered representative/investment advisor on the accounts that invested in the Private Companies.

[135] Xavier's own evidence confirmed that he was aware of the distribution of securities of the Private Companies to his clients. Following his testimony, the Chair of the Panel summarized his evidence as follows:

> THE CHAIR: – just to clarify an earlier question. It seems from looking at Exhibit 20, which is the list of clients, Mr. Xavier, that all of these people referred to, in at least 8 circumstances, as your counsel describes them, were clients of yours. *So, I'm assuming – I understand your testimony when you say you did not know about the loans. But insofar as you assisted in collapsing the original RRSP and its transfer into an account and had access to the account records and you would see the trades from time to time, I take it that you understood that some of that money was being utilized by those clients to purchase Themis, Faelen and Camcys or something else.* So, you knew it was being employed in that fashion, and you're saying you weren't involved in the sale of those and that you didn't know about the loans connected with them. That be a fair statement?
>
> THE DEPONENT: That would be a fair statement, sir.
>
> [Emphasis added.]

[136] In his voluntary interview with Staff, Xavier admitted advising investors to invest in Themis. He stated:

> Q. Did you ever convince anyone not to go into one product, but they would insist on and throw them into a different product?
>
> A. There were a couple, yes, that ended up going to Themis.
>
> Q. And that was at your suggestion?
>
> A. Yes, from the discussion, yes.

[137] On cross-examination, Xavier was read this passage and questioned on it, as follows:

> Q. … Now, I'm going to suggest to you, sir, that that's advising people. Would you agree with me?
>
> A. Yeah, that would appear so.
>
> Q. So when you said you never advised anybody, that's not entirely true, is it?
>
> A. I didn't want it to appear that I was providing anybody advice, but I guess the way I've said it here, it would appear that I have.
>
> …
>
> A. I didn't perceive it that way at the time, but I guess that would be the case.
>
> Q. Okay. But you did provide investment advice to [Investor Nine] to invest in Themis Hospitality?
>
> A. That's correct.
>
> Q. That's right?
>
> A. Yes.
>
> Q. And that's something that you knew you weren't registered to do at the time?
>
> A. That is correct.

[138] Further, despite Xavier's refusal to acknowledge his awareness of the loans as an integral part of the transactions, we find that Xavier signed, at various times, a number of documents relating to loans to investors that were admitted as evidence. He signed on behalf of CGF Financial or First Financial as lender or as a witness.

[139] We find the signing of these documents by Xavier constitutes clear and convincing evidence that he was aware of and furthered the investment and loan scheme.

[140] Further, during his cross-examination by Staff, Xavier admitted that he participated in the distribution program and that without him, the transactions would have never occurred. He testified as follows:

> Q. All right. Now, I'm going to suggest to you that for all of these 87 transactions, you were a necessary part of the transaction. Would you agree with that?
>
> A. That's true.
>
> Q. Without you, these transactions never would have occurred?
>
> A. True.

[141] Despite the fact that Xavier denied trading small business securities because he was only registered to trade securities in mutual funds, he admitted on cross-examination that he facilitated the purchase of a small business security in regard to another investment by Investor Four. He testified:

> Q. Well, let's go to point 6 then, on that same page: "The purchase of the small business securities is suitable for my client and is appropriate for my client's investment needs." (As read) Do you see that?
>
> A. I see that, yes.
>
> Q. And that's not talking about mutual funds, is it?
>
> A. No, it is not.
>
> Q. *That's talking about small business securities, correct?*
>
> A. Yes, that's correct.
>
> Q. *And just below there is your signature. Do you see that?*
>
> A. *Yes, I do see that.*
>
> Q. So you're signing this, warranting or indemnifying MRS, saying that, 'The purchase of the small business securities is suitable for my client.' Would you agree with that?
>
> A. I imagine that is what that is saying, yes.
>
> Q. And you're now saying that that is not what you were doing?
>
> A. That is correct.
>
> Q. And are you still going to take the position that you've done nothing wrong in relation to these 87 investments?
>
> A. *In my heart of hearts, yes. But it's clear that I could have been more diligent, as per the requirement.*
>
> [Emphasis added.]

[142] With respect to the requirement to file a prospectus, we note that if the respondents relied on the exemptions for private companies contained in sections 73(1)(a) and 35(2), paragraph 10 of the Act, such an exemption would only be available in the case of "securities of a private company where they are not offered for sale to the public." In this case, advertisements were placed in newspapers asking if persons needed money from their locked-in RSPs or LIRAs. Those who responded were invited to participate in an arrangement involving the purchase of securities and the receipt of loans, and a number did so. The sales of the securities constituted a sale to the public and therefore the respondents cannot enjoy the benefit of the private company exemption.

[143] Furthermore, once the facts establish that trading has occurred, the burden of proof rests with the Respondents to show that the appropriate exemption was available.

[144] We note that Xavier did not have proper understanding of the available exemptions under the Act, and that there were no exemptions available in respect of the trades which are the subject of this hearing.

(e) Conclusion on Illegal Distribution of Securities

[145] We find that Cornwall and Simpson solicited the public through newspaper advertisements, met with investors and advised them to purchase shares in the Private Companies. Cornwall and Simpson created three of the four Private Companies and supporting documents used to persuade the public to make these investments. They subsequently completed paperwork to open accounts, obtained signed directions to purchase shares, transfer funds between trust companies, ensured share certificates were signed by the principals of these Private Companies and forwarded necessary documents to a registrant, Xavier.

[146] Xavier, as the registered representative involved in the transactions, was an integral component of the scheme. Several times in cross-examination, Xavier admitted that without him these transactions *would not have occurred* and that he was a necessary part of each transaction.

[147] Xavier acted in a dual role: on behalf of Cornwall and/or Simpson (stock promoters) and on behalf of investors as their representative. Xavier received compensation from either CGC Financial or First Financial for each and every transaction, and was listed on account documentation as the registered representative/investment adviser.

[148] Xavier's role in these transactions was much more than as a mutual fund adviser or mere conduit. As a registrant, he received a package of documents from Cornwall or Simpson including directions to purchase Private Company shares. Xavier processed these forms as the investment advisor for all of the investors as well as provided administrative services in the course of an arrangement where investors were issuing orders to buy Private Company shares and to receive loans for which such shares were pledged as security. He received remuneration on a per account basis. The amount increased from $200 per account in June 2000 to $1200 in early 2001. We consider these to be acts in furtherance of a trade.

[149] We find that Simpson/First Financial, Cornwall/CGC Financial and Xavier were all involved in the trades of securities to the public where there was no prospectus filed and no exemption available contrary to section 53(1) of the Act.

2) Did Xavier act contrary to section 1.5 of Ontario Securities Commission Rule 31-505 by failing to ascertain the general investment needs and objectives of investors purchasing shares of the Private Companies and the suitability of the proposed purchases or sales of the securities for these investors?

[150] Keybase was a dealer in the category of Mutual Fund Dealer, Limited Market Dealer and Scholarship Plan Dealer. On December 31, 2001, Keybase changed its registration category so that it was no longer a scholarship plan dealer.

[151] Xavier had been registered under the Act as a salesperson since September 23, 1999 with Keybase; but he was restricted to the "sale of mutual fund securities only". His registration depended on his continued employment with Keybase.

(a) The Law and the Evidence

[152] A registrant's obligations include ascertaining the client's investment objectives and suitability of investments for the client. These are set out in section 1.5 of the Commission Rule 31-505 which states:

> **1.5 Know your Client and Suitability** – (1) a person or company that is registered as a dealer or adviser and an individual that is registered as a salesperson, officer or partner of a registered dealer or as an officer or partner of a registered adviser shall make such enquiries about each client of that registrant as
>
> …
>
> (b) subject to section 1.7, are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to ascertain the general investment needs and objectives of the client and the suitability of a proposed purchase or sale of a security for the client.

[153] We now turn to the evidence.

(i) Xavier did not meet the know-your-client and suitability requirements

[154] Staff presented evidence that Xavier did not have contact with many of the Themis, Stramore, Faelen and Camcys investors and that he made investments for clients without first consulting them.

[155] A new plan application was required for each new Keybase customer. Staff presented 44 Keybase new plan applications, which they had received from Xavier. Many of them indicated that Keybase was the dealer and Xavier the representative for that account. For example, Staff presented a Keybase new plan application for Investor One signed by Xavier. However, Investor One testified that Cornwall completed the Keybase new plan application with him, not Xavier. He testified that he never met or spoke with Xavier and that he only learned Xavier's name because it appeared as the contact person on his B2B Trust statements.

[156] There was also evidence that some of the investors had never seen the trust account opening forms. During his testimony, Staff showed Investor One a B2B Trust account opening form in his name dated February 22, 2001 and purportedly signed by him. He testified that he had never seen this document and that the signature did not look like his signature.

[157] Staff presented evidence of two account statements from AIM Trimark detailing Investor One's investment in units of AIM Trimark's "Select Growth Fund". They indicated that Xavier was Investor One's financial advisor. Furthermore his B2B Trust statements showed the purchase of units in the AIM Trimark fund. However, Investor One testified that he never gave instructions to purchase units in this fund. Investor One testified that he had never met Xavier and never spoke to him; in fact, he left a message for him questioning an investment but never received a response. Investor One was only aware of Xavier's name by reading it on his B2B Trust Statements, *after his investment in Camcys*. Investor One called Xavier to ask him about the AIM Trimark investment and left a message; Xavier never returned his call.

[158] Investor Two testified that he transferred $20,440 from his locked-in RSP, invested $19,000 in Themis, received a $12,000 loan and in fact made 6-8 monthly payments of $300 in an attempt to repay the loan. Investor Two was subsequently required to pay $6,000 in tax to Revenue Canada as a result of this investment and loan. The Themis shares were subsequently "cashed out" of Investor Two's account and he testified he had no idea how that happened.

[159] Investor Two testified that he never met Xavier, never spoke to Xavier and when asked about investments made in mutual funds in his account, he testified that he had never heard of them and had never had a conversation with anyone about them. When suggested, in cross-examination, that it might have been possible that he spoke to Xavier about those specific mutual funds, Investor Two was adamant that he had never discussed them.

[160] Investor Two testified that he was never asked any questions about investment objectives or risk tolerance when he signed documents, and he never saw the Themis Offering Memorandum. The only conversations he had with Xavier related to transferring funds from Themis to an AGF Fund or to transfer his entire portfolio to his present investment broker.

[161] Investor Three transferred $45,000 from a locked-in RSP, invested $17,000 in Faelen, and eventually received $15,000 in loans. There was some evidence that an unspecified amount may have been transferred elsewhere. As of September 2002, the value of both of his RSP accounts was $5,107.87.

[162] Investor Three testified that he spoke to Xavier only twice and that he was never asked "Know Your Client" ("KYC") questions.

[163] A number of Keybase and trust company documents were purportedly signed by Investor Three, but he testified that they did not contain his signature and the investments were unfamiliar to him. Investor Three asserted that he did not provide instructions for the purchase of mutual funds in his portfolio. Furthermore, he did not provide instructions to transfer his investments from Canadian Western Trust to MRS Trust.

[164] Investor Four and Investor Five are married to each other. They both testified that various documents, including an MRS Plan Application, a Revenue Canada form and a document dealing with disclosure of adviser fees, contained signatures which were not theirs. Investor Four testified she had never met Xavier, and only spoke to him on the telephone after these investments were made to find out what was going on. Xavier never advised her of the specifics of her investments, only that she would eventually get back what she had put in. Repeated efforts to obtain documentation from Xavier on her investments yielded no results. Investor Five never spoke to Xavier.

[165] Investor Four did not recognize any of the mutual fund investments and did not provide any specific instructions with respect to the purchase of investments. Furthermore, Investor Four and Investor Five were never asked any questions about investment objectives or risk tolerance.

[166] As a result of her involvement in this scheme, Investor Four was required to pay $18,000 to Revenue Canada, which she is presently paying.

[167] We find that the evidence provided by witnesses who testified with respect to the role and conduct of Xavier was generally consistent and compelling. Further, we find their evidence generally consistent with the evidence of the respondent Simpson, who explained how the scheme worked. Their evidence consistently demonstrated that they did not have discussions

with Xavier about their investment. Their evidence also established that account documentation was inconsistently completed and that the information was inadequate and/or incomplete.

[168] Furthermore, Xavier did not speak on the telephone with most clients when KYC forms were completed. He typically provided blank new application forms for Keybase and the various trust companies to Cornwall and expected that they would be returned to him completed and signed.

[169] Xavier admitted the KYC assessments and documentation were his responsibility, and that the various trust companies were relying on him to complete proper KYC assessments and documentation for these transactions.

(b) Conclusion on Know-Your-Client and Suitability Requirements

[170] The evidence establishes that Xavier never personally met with most of the clients to conduct a KYC assessment at the time the account opening documentation was completed. Xavier testified that he only met personally with eight or ten investors and for the others he received the documentation by courier or from Cornwall.

[171] Despite Xavier's assertion during his testimony that he consistently followed-up on the telephone with the investors, the evidence does not support his version of the facts. Some investors who testified at the hearing did not recall his ever contacting them; some of the information on the forms was incomplete and/or inaccurate; and some of the account documentation that was submitted by Xavier contained signatures that witnesses disavowed.

[172] We conclude that Xavier abdicated his duties as a registrant and contravened section 1.5 of Ontario Securities Commission Rule 31-505 by failing to ascertain the general investment needs and objectives of investors purchasing shares of the Private Companies and the suitability of the proposed purchases or sales of the securities for these investors.

3) Did Xavier act contrary to section 25(1) of the Act by failing to process trades through Keybase?

[173] Staff alleged that by not processing trades though Keybase, Xavier breached section 25(1) of the Act.

[174] Staff submitted that Xavier was required, as the registered representative, to process these transactions though his sponsoring dealer, Keybase, something he failed to do for all 87 of these transactions. Staff submitted that there is a critical distinction between dealer and adviser registration. Any trade in a security must be processed through the dealer, which in this case was Keybase.

[175] Xavier submitted that he did not process any transactions with respect to the Private Companies through Keybase, as the purchases were directed by the investors themselves and the transfer forms sent to the trust companies did not require the signature of an advisor, only that of the client.

[176] Xavier submitted that the purchases of the Private Companies were processed through the trust companies who were dealers and thus, he did not breach section 25(1) by not processing these purchases through Keybase.

[177] Xavier also submitted that he was only registered as a mutual fund salesperson and therefore knew that he could not advise on or execute trades of securities other than units of mutual funds. If he had attempted to do so, all a trust company would have had to do was look at his salesperson code to discern that he could not be putting through a trade of anything other than a mutual fund on a client's behalf. Private Company purchases could have been made whether or not Xavier was involved.

(a) The Law and the Evidence

[178] Section 25(1) of the Act states:

> No person or company shall,
>
> (a) trade in a security or act as an underwriter unless the person or company is registered as a dealer, or is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer.

[179] This section requires that in order to trade in a security, Xavier must not only be registered as a salesperson with a dealer, but must also be acting on behalf of that dealer when making the trade.

[180] The requirement that an individual be registered in order to trade in securities is an essential element of the regulatory framework put in place to achieve the purposes of the Act.

[181] In *Brosseau v. Alberta Securities Commission* (1989), 57 D.L.R. (4th) 458 (S.C.C.) at para. 35, the Supreme Court of Canada acknowledged that "securities acts in general can be said to be aimed at regulating the market and protecting the general public." Pursuant to section 25 of the Act, a person or company is prohibited from trading in a security unless the person is registered. Through the registration process, the Commission attempts to ensure that those who engage in trading activities meet the necessary proficiency requirements, are of good character and satisfy the appropriate ethical standards.

[182] This was discussed further by the Supreme Court of Canada in *Gregory & Co. v. Quebec (Securities Commission)*, [1961] S.C.R. 584 at paras. 11-15, as follows:

> The paramount object of the Act is to ensure that persons who, in the province, carry on the business of trading in securities or acting as investment counsel, shall be honest and of good repute and, in this way, to protect the public, in the province or elsewhere, from being defrauded as a result of certain activities initiated in the province by persons who therein carry on such a business. For the attainment of this object, trading in securities is defined in s. 14; **registration is provided in s. 16 as a requisite to trade in securities**….
>
> The Act Respecting Securities, 3-4 Elizabeth II, c. 11, is not marketing legislation within the meaning attending the legislation considered in these cases. In order to protect the public against fraud, it provides for the establishment and operation of a control and supervision over the conduct, in the Province of Quebec, of person engaged, therein, in carrying on the business of trading in securities…[emphasis added]

[183] Registration serves an important gate-keeping mechanism ensuring only properly qualified and suitable individuals are permitted to be registrants. The investing public is entitled to expect and rely on the fact that any one who acts as an advisor has satisfied the necessary proficiency and good character requirements.

(i) Xavier's Registration

[184] It is not disputed that Xavier is registered only as a mutual fund salesperson with Keybase. There is also no dispute that Xavier processed all of the trades of mutual funds through Keybase but he did not process the trades in the Private Companies in question through Keybase.

[185] As previously found, Xavier participated in the illegal distribution of the shares of the Private Companies. Given that he was registered as a salesperson with Keybase and the transactions in question were trades in securities, he should have processed the trades through Keybase. There is no dispute that these transactions were not processed through Keybase and it is clear that Xavier knew that he would not be able to do so since his registration was limited to mutual fund trades.

(b) Conclusion on Trading Without Registration

[186] Accordingly, we find that Xavier was a registrant who acted contrary to section 25(1) of the Act by failing to process trades through Keybase.

4) Did Cornwall/CGC Financial, Simpson/First Financial, Xavier and Cook engage in conduct contrary to the public interest?

(a) Cornwall/CGC Financial and Simpson/First Financial

[187] Staff submitted that Cornwall and Simpson, as the sole directors of CGC Financial and First Financial, respectively, were the architects of these transactions. They argued that members of the public in need of immediate financial assistance were targeted, provided misleading and unreliable information and induced to make highly risky investments combined with loans with high administrative fees.

[188] We accept the evidence that Cornwall and Simpson arranged for the issuance of shares in the Private Companies and sought out investors. They placed advertisements in a number of newspapers offering people the opportunity to gain access to funds in their locked-in RSPs. Simpson and Cornwall had investors sign documentation that permitted the transfer of funds from their locked-in RSPs into separate trust accounts for each investor for the purpose of investing in one of the Private Companies. These trust accounts were held at the following trust companies: Maple Trust Company, Canadian Western Trust, MRS, B2B Trust, and Laurentian Bank.

[189] Simpson and Cornwall then arranged the purchase of shares of the Private Companies using the funds in the trust accounts. On receiving the funds from the trust accounts, each of the Private Companies transferred a substantial portion of these funds to First Financial, in the case of Themis and Stramore, and CGC Financial, in the case of Faelen and Camcys.

[190] Simpson and Cornwall also had investors sign loan agreements with either First Financial, in the case of Simpson, or CGC Financial, in the case of Cornwall. The loan agreements provided that the principal amount of these loans was approximately 75% of the funds originally invested in the relevant Private Company. However, after deducting various fees, investors would only receive between 65 to 70% of the funds so invested from their locked-in RSPs. The loan agreements also provided that the shares held by investors in the Private Companies would be collateral for the loans.

[191] Cornwall/CGC Financial and Simpson/First Financial traded in securities without being registered to do so and for which no exemption was available. Also, they significantly benefitted from their participation in these transactions.

[192] We find that the four respondents took unfair advantage of people in need of immediate financial assistance. In particular Cornwall, as a registrant did not meet the high standard of conduct investors were entitled to expect.

[193] We find the respondents' conduct to be contrary to the public interest.

(b) Xavier

[194] Staff submitted that Xavier was fully aware of, and participated in a scheme for investors that involved the illegal distribution of shares of the Private Companies and the subsequent loan to the investors of an amount equal to a significant percentage of the purchase price for the shares. These investments were highly risky and unsuitable for all the investors.

[195] Xavier admits to having received $45,700 from his participation in these transactions.

[196] We find that Xavier took unfair advantage of people in need of immediate financial assistance. As a registrant, he did not meet the high standard of conduct investors were entitled to expect.

[197] We find Xavier's conduct to be contrary to the public interest.

(c) Cook

[198] As stated above, Cook is a chartered accountant and was not registered in any capacity with the Commission. Staff alleged that Cook was an integral part of each and every one of the transactions at issue.

[199] Staff submitted that Cook acted contrary to the public interest by engaging in the following conduct:

- Cook signed documents that confirmed that "to the best of [her] knowledge" the shares of Camcys and Stramore represented a "fair market value." (This submission was denied by Cook through her counsel);
- Cook did not conduct any due diligence with respect to Camcys and Stramore;
- Cook signed letters confirming that the share purchases in the Private Companies were qualified investments for the annuitant's RRSP.

[200] Staff submitted that Cook's involvement must be viewed in a similar context to that of Xavier, that is, as a licensed professional entrusted with gatekeeper responsibilities.

[201] At the beginning of the hearing, Cook, through her counsel, made the following admissions of facts alleged in paragraph 14 of the Amended Amended Statement of Allegations:

> To facilitate the trust company's acceptance of the transactions as RRSP eligible investments, Cook signed a letter confirming the share purchases of Stramore, Faelen, Camcys and Themis were a "qualified investment for the annuitants (sic) RRSP."

[202] On November 24, 2005, Cook entered into an Agreed Statement of Facts ("Agreed Statement") with staff of the Institute of Chartered Accountants of Ontario in a disciplinary proceeding brought against her in respect of this matter. Through her counsel in this proceeding, she admitted the Agreed Statement in its entirety and admitted the accuracy and completeness of the reasons given by the Discipline Committee.

[203] The following facts were admitted by Cook in the Statement of Facts at paragraphs 18-25, 29 and 33, and many of them were supported by the evidence given by Boyle and the witnesses called by Staff at the hearing:

> [18] Cook agrees that each opinion letter that she signed was prepared on her behalf by Xavier or others and each was presented to her fully completed for her signature.

> [19] Cook agreed to sign the opinion letters initially upon the payment of a fee of $100 per letter. Subsequently the fee was increased to $200 per letter.
>
> [20] Cook prepared invoices on account of the letters that she signed. Most of the invoices were prepared by Cook long after she had signed the letters and been paid for doing so. Cook prepared the invoices in preparation for an arranged meeting with Scott Boyle ("Boyle"), an investigator with the Ontario Securities Commission who was looking into the entire investment scheme. (…)
>
> [21] The total fees received by Cook received for signing all of the letters was $13,900 (…). Cook received no other benefit for her role in this matter.
>
> **Due Diligence**
>
> [22] Cook did not meet with any of the investors prior to signing the opinion letters (…) during the period April 1, 2000 through March 31, 2001.
>
> [23] Cook did not view incorporation documents or minutes of the companies. She did not speak with the principals of any of the corporations or view any of the corporate locations until after most of the opinion letters were signed. Some time after most of the opinion letters were signed Cook visited three of the corporate locations and met with three of the corporate principals. (…)
>
> [24] At the time of signing the opinion letters Cook had read section 146 of the *Income Tax Act* (…) and the *Income Tax Act Regulation* 4900(6) and 4900(12) (…) but she had no experience in interpreting or applying them. She sought no advice or other professional assistance in this respect and now understands that she should have done.
>
> [25] Before signing an opinion letter regarding the eligibility of shares of a particular corporation as a "qualified investment" for an RRSP, a reasonably competent Chartered Accountant would have reviewed the facts having regard to the rules as outlined in either Regulation 4900(6) or 4900(12) (…) of the Income Tax Regulations.
>
> …
>
> [29] Cook acknowledges that she failed to perform her professional services with integrity and due care by participation in this arrangement where, for a fee, she lent her name and designation to approximately 90 letters confirming her opinion that named investments were qualified investments for RRSPs.
>
> **Impact On Investors**
>
> [33] The most significant impact on investors, however, may be that the Corporations in this case do not qualify as eligible holdings in a self-directed RRSP. This may result in significant adverse tax consequences to the investors.

[204] Those witnesses at the hearing who participated in the purchase of shares of the Private Companies and received loans from CGC Financial or First Financial testified that they had been reassessed by Revenue Canada on the basis that the investments did not qualify as eligible holdings in a self-directed RSP and suffered adverse tax consequences.

[205] Based on the facts admitted, we find Cook's conduct to be contrary to the public interest.

CONCLUSION

[206] For these Reasons, we find that:

- Cornwall, Simpson and Xavier participated in an illegal distribution of securities contrary to section 53(1) of the Act by trading in the securities of the Private Companies for which there was no exemption;
- Xavier acted contrary to section 1.5 of Ontario Securities Commission Rule 31-505 by failing to ascertain the general investment needs and objectives of investors purchasing shares of the Private Companies and the suitability of the proposed purchases or sales of the securities for these investors;
- Xavier acted contrary to section 25(1) of the Act by failing to process trades through Keybase; and

- Cornwall/CGC Financial, Simpson/First Financial, Xavier and Cook engaged in conduct contrary to the public interest.

[207] Staff and the Respondents shall contact the Office of the Secretary within the next 10 days in order to set time limits for filing written submissions and setting a date for a hearing on sanctions.

Dated at Toronto, this 30th day of November, 2007.

"Robert L. Shirriff"

"David L. Knight"

"Margot C. Howard"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
AADCO Automotive Inc.	21 Nov 07	03 Dec 07		05 Dec 07
Cimatec Environmental Engineering Inc.	04 Dec 07	14 Dec 07		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Rainmaker Income Fund	30 Nov 07	13 Dec 07			

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
AldeaVision Solutions Inc.	03 May 07	16 May 07	16 May 07		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Constellation Copper Corporation	15 Nov 07	28 Nov 07	28 Nov 07		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Fareport Capital Inc.	13 Jul 07	26 Jul 07	26 Jul 07		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		
iPerceptions inc.	06 Sept 07	19 Sept 07	19 Sept 07	04 Dec 07	
Outlook Resources Inc.	01 Nov 07	14 Nov 07	14 Nov 07	04 Dec 07	
VVC Exploration Corporation	04 Jun 07	15 Jun 07	15 Jun 07		
Tudor Corporation Ltd.	03 Oct 07	15 Oct 07	16 Oct 07	05 Dec 07	

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Chapter 6

Request for Comments

6.1.1 CSA Notice and Request for Comment - Proposed Amendments to NI 55-102 System for Electronic Disclosure by Insiders (SEDI), Form 55-102F1 Insider Profile, Form 55-102F2 Insider Report, Form 55-102F3 Issuer Profile Supplement and Form 55-102F6 Insider Report

NOTICE AND REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 55-102 *SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)*,
FORM 55-102F1, FORM 55-102F2, FORM 55-102F3 AND FORM 55-102F6

The Canadian Securities Administrators (CSA or we) are publishing for comment proposed amendments to :

- National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* (NI 55-102) and
- Forms 55-102F1 *Insider Profile*, 55-102F2 *Insider Report*, 55-102F3 *Issuer Profile Supplement* and 55-102F6 *Insider Report*.

We are publishing all the proposed amendments with this Notice. You can also find the proposed amendments on websites of CSA members, including :

- www.bcsc.bc.ca
- www.albertasecurities.com
- www.sfsc.gov.sk.ca
- www.msc.gov.mb.ca
- www.osc.gov.on.ca
- www.lautorite.qc.ca
- www.nbsc-cvmnb.ca

We invite comment on these materials generally.

Introduction and background

The proposed amendments to NI 55-102 and the forms (together, the SEDI instruments), are an initiative of all members of the CSA.

SEDI was launched on May 5, 2003. The CSA implemented SEDI out of a desire to make the filing of insider information easier and faster, as well as to make information from insider reports accessible to the public in real time and in an easily readable format. While SEDI has fulfilled its purpose, the CSA has received numerous complaints and suggestions from direct users of the system about the quality of its user interface.

SEDI Release 1.7.0 was implemented on October 6, 2007. This release addresses certain issues raised in the SEDI user opinion survey we conducted in 2005 and 2006. The goal of SEDI Release 1.7.0 is to improve the SEDI filing system by modifying some of the processes that filers identified as the cause of the greatest difficulties. The substance and purpose of the proposed amendments to the SEDI instruments are to complement the changes made in SEDI Release 1.7.0.

The changes to the SEDI system streamline the insider report filing process by reducing the number of screens and enhancing user navigation, eliminating the use of the insider access key for insiders who are self filers and improving the usability of the "view insider profile" screen by enhancing its visual impact and adding optional features.

Summary of changes to the SEDI instruments

Section 5.2 of NI 55-102 is amended to reflect the fact that self-filing insiders who log on to SEDI using their SEDI user ID and password will no longer have to also input their access key, except when first linking to the insider profile created by an agent. Agents who file on behalf of an insider will still be required to input the insider's access key.

Item 7 of Form 55-102F1 is amended to reflect the requirements under the laws of New Brunswick on the choice of language of correspondence.

Item 3 of Form 55-102F2 is amended to reflect the fact that when necessary, a filer will need to click on the left-hand tool bar item labeled “Amend insider profile” on the screen entitled “Amend insider profile” whereas the instructions in current Form 55-102F2 are to click on “Amend”.

Item 4 of Form 55-101F2 is amended to provide filers with the option of viewing an issuer event report by selecting the “View issuer event reports” feature on the screen entitled “File insider report (Form 55-102F2) – Select issuer”. The issuer event report will no longer be automatically displayed for review by the filer.

Forms 55-102F1, 55-102F2, 55-102F3 and 55-102F6 have been amended to include the reference to the New Brunswick Securities Commission.

The amendments to NI 55-102 are set out in Appendix A. The amendments to Form 55-102F1 *Insider Profile*, Form 55-102F2 *Insider Report*, Form 55-102F3 *Issuer Profile Supplement* and Form 55-102F6 *Insider Report* are set out in Appendix B.

Alternatives considered

We have not considered other alternatives.

Unpublished materials

In proposing amendments to NI 55-102, Form 55-102F1, Form 55-102F2, Form 55-102F3 and Form 55-102F6, we have not relied on any significant unpublished study, report, or other written materials.

Authority for Amendments – Ontario

Appendix C sets out the provisions of the *Securities Act* (Ontario) (the Act) which provide the Ontario Securities Commission with authority to make the amendments described in this Notice as well as a statement of anticipated costs and benefits associated with the proposed amendments.

Staff of the Ontario Securities Commission have determined that, under subsection 143.2(5)(c) of the Act, notice of and a comment period for the amendments to the SEDI instruments are not required to be provided as the amendments do not materially change an existing rule. Notwithstanding this, we are providing a comment period of 60 days. Comments received during the comment period will be published on the OSC website.

Comments on the Notice

We request your comments on the materials outlined above. Please provide your comments by February 5, 2008 and address your submissions to all of the CSA member commissions.

Please deliver your comments to the addresses below. Your comments will be distributed to the other participating CSA members.

Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22^{e} étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Fax: (514) 864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario
M5H 3S8
Fax: (416) 593-2318
E-mail: jstevenson@osc.gov.on.ca

If you do not submit your comments by e-mail, a diskette containing the submissions in Word should also be provided.

We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

Questions

Please refer your questions to any of the people listed below:

Alison Dempsey
Senior Legal Counsel
Legal Services, Corporate Finance
British Columbia Securities Commission
(604) 899-6638
(800) 373-6393 (toll free in B.C. and Alberta)
adempsey@bcsc.bc.ca

Agnes Lau
Associate Director, Corporate Finance
Alberta Securities Commission
(403) 297-4219
agnes.lau @seccom.ab.ca

Kyler Wells
Legal Counsel, Corporate Finance
Ontario Securities Commission
(416) 593-8229
kwells@osc.gov.on.ca

Lucie J. Roy
Conseillère en réglementation
Service de la réglementation
Surintendance aux marchés des valeurs
Autorité des marchés financiers
(514) 395-0337 poste 4364
lucie.roy@lautorite.qc.ca

France Kingsbury
Avocate, Affaires juridiques
Autorité des marchés financiers
(514) 395-0337 poste 2543
france.kingsbury@lautorite.qc.ca

Amendments

The text of the amendments follows and can also be found on a CSA member website.

December 7, 2007

APPENDIX A

PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 55-102 *SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS* (SEDI)

1.1 National Instrument 55-102 *System for Electronic Disclosure by Insiders* (SEDI) is amended by this Instrument.

1.2 Section 5.2 is repealed and substituted with the following,

5.2 **Authentication and Access Key** - When information is filed in SEDI format, the identity of the SEDI filer or the authority of the filing agent shall be authenticated by :

(a) the use of the SEDI filer's username and password by the SEDI filer;

(b) the use of the SEDI filer's access key by the filing agent; or

(c) the use of the SEDI filer's username and password and SEDI filer's access key by the SEDI filer when first linking to the insider profile created by a filing agent.

1.3 This amendment comes into force •, 2008.

APPENDIX B

PROPOSED AMENDMENTS TO
FORM 55-102F1 *INSIDER PROFILE*, FORM 55-102F2 *INSIDER REPORT*,
FORM 55-102F3 *ISSUER PROFILE SUPPLEMENT* AND FORM 55-102F6 *INSIDER REPORT*

1. Form 55-102F1 *Insider Profile*, Form 55-102F2 *Insider Report*, Form 55-102F3 *Issuer Profile Supplement* and Form 55-102F6 *Insider Report* are amended by this Instrument.

2. Form 55-102F1 is amended by,

a. in the second paragraph of item 7, striking out "New Brunswick,**"**

b. adding the following as a third paragraph to item 7:

If the insider is resident in New Brunswick, the insider may choose to receive any correspondence from the New Brunswick securities regulatory authority in French or English.; and

c. in item 14 under *Notice – Collection and Use of Personal Information*, inserting the words "New Brunswick,**" immediately after "**Quebec**", striking out the words "**Commission des valeurs mobilières du Québec**" and substituting them with "**Autorité des marchés financiers**", changing the address of the Manitoba Securities Commission to "**500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5**" and inserting "**New Brunswick Securities Commission, 85 Charlotte Street, Suite 300, Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)**" at the end of the form.**

3. Form 55-102F2 is amended by

a. repealing item 3 and substituting it with the following:

3. Review issuer information

Review the information contained in the insider profile with respect to the selected reporting issuer to ensure that the information is correct. To do this, click on "Insider profile" in the top bar and the "Introduction to insider profile activities (Form 55-102F1)" screen will appear.

You must review the information in the insider profile with respect to the selected reporting issuer and, if the information is not correct, you must amend it by filing an amended insider profile. To do this, click on "Amend insider profile" in the bar on the left side and make the necessary corrections.

b. repealing item 4 and substituting it with the following:

4. Review new issuer event reports

If the reporting issuer has filed an issuer event report that has not previously been viewed or that has been previously flagged for further viewing, you should review the issuer event report.

To do this you must do the following: i) After you have selected an issuer and before selecting the "File insider report" feature, on the screen entitled "File insider report (Form 55-102F2) – Select issuer", click on the feature entitled "View issuer event reports" and the "Listing of issuer event reports" screen appears. ii) Next, click on the radio button for the report you wish to see and then select "View Report" and the "View issuer report information" screen appears with the text of the issuer event report.

If the insider's holdings of securities of the reporting issuer have been affected by an issuer event, the change in holdings must be reported.

c. **in item 25 under *Notice – Collection and Use of Personal Information*, inserting the words "**New Brunswick,**" immediately after "**Quebec**", striking out the words "**Commission des valeurs mobilières du Québec**" and substituting them with "**Autorité des marchés financiers**", changing the address of the Manitoba Securities Commission to "**500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5**" and inserting "**New Brunswick Securities Commission, 85 Charlotte Street, Suite 300, Saint John, NB E2L 2J2

Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)**" at the end of the form.**

4. Form 55-102F3 is amended by, in item 9 under *Notice – Collection and Use of Personal Information*, inserting the words "New Brunswick,**" immediately after "**Quebec**", striking out the words "**Commission des valeurs mobilières du Québec**" and substituting them with "**Autorité des marchés financiers**", changing the address of the Manitoba Securities Commission to "**500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5**" and inserting "**New Brunswick Securities Commission, 85 Charlotte Street, Suite 300, Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)**" at the end of the form.**

5. **Form 55-102F6 is amended by, under *Notice – Collection and Use of Personal Information*, inserting the words "**New Brunswick,**" immediately after "**Quebec**", under "**Box 4**", adding "**☐ New Brunswick**", under "INSTRUCTIONS", striking out the word "**and**" in the first line and inserting the words "**and New Brunswick**" after "**Québec**", striking out the words "**New Brunswick,**" in the second paragraph, striking out the words "**Commission des valeurs mobilières du Québec**" in the address section and substituting them with "**Autorité des marchés financiers**", changing the address of the Manitoba Securities Commission to "**500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5**" and inserting "**New Brunswick Securities Commission, 85 Charlotte Street, Suite 300, Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)**" at the end of the form.**

6. This amendment comes into force ●, 2008.

APPENDIX C

ADDITIONAL INFORMATION REQUIRED IN ONTARIO

Anticipated costs and benefits

The changes to SEDI in Release 1.7.0 are expected to benefit filers by streamlining the screen flow. We anticipate that Release 1.7.0 will result in fewer filing errors and an improved insider report filing process, resulting in reduced costs to filers. We also anticipate that the costs to the CSA associated with providing support to filers will be reduced.

Authority for Amendments - Ontario

The following provisions of the *Securities Act* (Ontario) (the Act) provide the Ontario Securities Commission (the OSC) with authority to adopt the amendments.

- Paragraph 143(1)(30) authorizes the OSC to make rules varying or providing for exemptions from any requirement of Part XXI of the Act which deals with, *inter alia*, insider trading.

- Paragraph 143(1)(44) authorizes the OSC to make rules permitting or requiring the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information required under or governed by the Act.

- Paragraph 143(1)(45) authorizes the OSC to make rules regarding the requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information.

- Paragraph 143(1)(46) authorizes the OSC to make rules prescribing the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system.

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
11/02/2007	2	3PAR Inc. - Common Shares	693,770.00	50,000.00
11/19/2007	1	Actera Partners L.P. - Limited Liability Interest	7,931,550.00	1.00
11/19/2007	1	Actera Partners L.P. - Limited Partnership Interest	7,931,550.00	1.00
11/13/2007	35	Active Control Technology Inc. - Units	626,000.00	5,176,000.00
11/13/2007	23	Adex Mining Inc. - Flow-Through Shares	3,000,000.00	5,000,000.00
11/22/2007	35	Alda Pharmaceuticals Corp. - Units	525,000.00	3,500,000.00
11/14/2007	1	American Public Education Inc. - Common Shares	72,863.00	4,687,500.00
11/21/2007	30	Antares Minerals Inc. - Units	30,000,280.00	6,521,800.00
11/27/2007	17	Artek Exploration Ltd. - Common Shares	4,080,000.00	N/A
11/27/2007	11	Artek Exploration Ltd. - Common Shares	2,900,000.00	N/A
11/27/2007	12	Artek Exploration Ltd. - Flow-Through Shares	1,768,710.00	N/A
11/27/2007	29	Artek Exploration Ltd. - Flow-Through Shares	5,336,290.00	N/A
11/20/2007	3	Bayfield Ventures Corp. - Common Shares	22,400.00	40,000.00
11/13/2007	19	Belair Networks Inc. - Debentures	3,149,580.01	N/A
11/15/2007	9	BHF Waste Management Limited Partnership - Limited Partnership Units	497,000.00	49,700.00
11/13/2007	5	Biox Corporation - Debentures	13,600,000.00	N/A
11/21/2007	37	Bioxel Pharma Inc - Debentures	4,009,000.00	N/A
11/29/2007	8	Bonaventure Enterprises Inc. - Common Shares	3,437,500.00	6,250,000.00
11/27/2007	38	Bonaventure Enterprises Inc. - Units	3,221,250.00	8,053,125.00
11/19/2007	1	Burger King Holdings Inc. - Common Shares	7,378,500.00	300,000.00
11/14/2007	8	Candorado Operating Company Limited - Units	820,950.00	1,824,332.00
10/31/2007 to 11/07/2007	14	Cascadia International Resources Inc. - Units	750,000.00	3,750,000.00
11/23/2007	1	Chrysler Lease Trust - Notes	70,170,412.12	N/A
11/07/2007	6	CHX Technologies Inc. - Common Shares	1,800,370.00	138,490.00
11/22/2007	21	Claude Resources Inc. - Common Shares	7,000,000.40	3,783,784.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
11/12/2007 to 11/23/2007	124	CMC Markets Canada Inc. - Contracts for Differences	226,131.00	34.00
11/21/2007	12	Dejour Enterprises Ltd. - Common Shares	1,820,000.00	1,000,000.00
11/20/2007	4	EnergySolutions Inc. - Common Shares	29,145,600.00	1,280,000.00
11/19/2007	1	EnerNOC Inc. - Common Shares	117,992.00	2,800.00
11/16/2007	3	Equimor Mortgage Investment Corporation - Special Shares	63,238.50	N/A
11/21/2007 to 11/26/2007	3	First Leaside Entities Limited Partnership - Units	747,375.00	747,375.00
11/23/2007 to 11/27/2007	2	First Leaside Expansion Limited Partnership - Notes	300,000.00	150,000.00
11/26/2007 to 11/27/2007	3	First Leaside Properties Fund - Trust Units	335,000.00	335,000.00
11/27/2007	2	First Leaside Properties Fund - Trust Units	102,319.00	102,319.00
11/27/2007	2	First Leaside Properties Fund - Trust Units	102,319.00	102,319.00
11/21/2007 to 11/27/2007	2	First Leaside Unity Limited Partnership - Notes	225,000.00	225,000.00
11/26/2007	1	First Leaside Visions Limited Partnership - Limited Partnership Units	100,000.00	100,000.00
11/22/2007	406	Galena Capital Corp. - Common Shares	4,275,000.00	4,500,000.00
11/15/2007 to 11/24/2007	5	Global Trader Europe Limited - Special Trust Securities	52,402.00	31,740.00
11/20/2007	1	GMO Developed World Equity Investment Fund PLC - Units	94,145.27	3,025.61
11/20/2007	14	Gowest Amalgamated Resources Ltd. - Units	975,000.00	3,900,000.00
11/05/2007	33	Hawk Uranium Inc. - Flow-Through Units	1,999,999.80	6,666,666.00
11/15/2007	2	Highland Restoration Capital Partners Offshore L.P. - Limited Partnership Interest	93,176,000.00	N/A
11/20/2007	152	Horizon North Logistics Inc. - Receipts	60,060,000.00	18,200,000.00
11/14/2007	2	Houston Lake Mining Inc. - Flow-Through Shares	255,010.00	364,300.00
10/17/2007	26	Industrial Minerals Inc. - Common Shares	481,111.24	2,830,066.00
11/13/2007	49	International Samuel Exploration Corp. - Units	697,500.00	6,975,000.00
11/09/2007	57	Junex Inc. - Common Share Purchase Warrant	5,749,999.00	2,211,538.00
11/09/2007	57	Junex Inc. - Common Shares	5,749,999.00	4,423,076.00
11/15/2007	2	Kingwest Avenue Portfolio - Units	20,595.00	648.07
11/15/2007	1	Kingwest U.S. Equity Portfolio - Units	5,190.79	377.07
11/19/2007 to 11/28/2007	34	Knight Resources Ltd. - Units	4,000,000.00	10,000,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
11/16/2007 to 11/27/2007	31	Kria Resources Inc. - Units	7,610,000.00	5,087,500.00
08/20/2007 to 08/27/2007	2	Legacy Energy Inc. - Common Shares	7,026,250.00	2,555,000.00
10/01/2007	1	Legacy Energy Inc. - Units	851,749.25	309,727.00
11/15/2007	16	Liberty Mines Inc. - Units	16,800,000.00	7,000,000.00
11/20/2007	1	Mashantucket (Western) Pequot Tribe - Bonds	1,477,500.00	1.00
11/20/2007	12	Meriton Networks Inc. - Notes	3,847,691.66	N/A
11/23/2007	49	Monroe Minerals Inc. - Units	764,812.98	3,376,633.00
08/13/2007	2	Morgan Stanley Offshore Infrastructure Partners A L.P. - Limited Partnership Interest	44,006,200.00	N/A
11/16/2007	26	MPH Ventures Corp. - Common Shares	800,000.00	4,000,000.00
11/14/2007	8	Neo Exploration Inc. - Common Shares	350,501.00	134,467.00
11/15/2007	14	New World Lenders Corp. - Units	1,000,000.00	2,000,000.00
11/19/2007 to 11/21/2007	4	Newport Canadian Equity Fund - Units	54,028.60	347.24
11/22/2007	7	Newport Diversified Hedge Fund - Units	851,249.65	7,155,156.00
11/21/2007	1	Newport Global Equity Fund - Units	5,000.00	63.51
11/15/2007 to 11/21/2007	10	Newport Yield Fund - Units	380,023.46	3,094.37
11/20/2007	7	Nordic Oil and Gas Ltd. - Units	720,000.00	3,600,000.00
11/15/2007	22	Norsemont Mining Inc. - Special Warrants	18,009,000.00	6,210,000.00
11/19/2007	4	Och-Ziff Capital Management Group - Common Shares	6,296,320.00	200,000.00
11/15/2007	201	Oromin Explorations Ltd. - Units	13,500,000.00	5,400,000.00
11/14/2007	55	Pan Orient Energy Corp. - Common Shares	32,025,000.00	3,500,000.00
11/02/2007	6	Pioneering Technology Inc. - Common Shares	143,000.00	2,200,000.00
11/20/2007	1	Platinex Inc. - Warrants	0.00	500,000.00
11/07/2007	1	Prevora Limited Partnership 2 - Units	50,000.00	5.00
11/16/2007	25	Probe Resources Ltd. - Units	2,100,000.00	4,200,000.00
11/19/2007	37	Raytec Metals Corp. - Common Shares	2,755,515.55	N/A
11/20/2007	1	ReAble Therapeutics Finance LLC - Notes	2,970,000.00	N/A
11/19/2007	5	Renforth Resources Inc. - Common Shares	2,992,500.00	5,985,000.00
11/07/2007	11	Resort Owners Group Ltd. - Common Shares	305,000.00	610,000.00
11/27/2007	34	Silverstone Resources Corp. - Common Shares	50,025,000.00	17,250,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
11/21/2007	21	Sinchao Metals Corp. - Units	4,000,000.00	10,000,000.00
11/13/2007	4	Sleepy Giant Entertainment, Inc. - Preferred Shares	290,000.00	2,000,000.00
11/13/2007	4	Sleepy Giant Entertainment, Inc. - Preferred Shares	290,000.00	580,000.00
11/16/2007	45	Stonefire Energy Corporation - Common Shares	2,400,000.00	N/A
11/26/2007	1	St. George Bank Limited - Common Shares	6,010,000.00	200,000.00
11/15/2007	4	Torrential Energy Ltd. - Units	340,500.00	35,000.00
10/22/2007	1	Triplecrown Acquisition Corp. - Units	22,000,000.00	2,200,000.00
11/15/2007	126	TTM Resources Inc. - Units	8,682,750.00	5,823,500.00
10/04/2007	5	Urban Communications Inc. - Units	500,000.00	1,250,000.00
11/20/2007	26	War Eagle Mining Company Inc. - Units	4,240,000.00	8,480,000.00
11/20/2007	2	Willbros Group Inc. - Common Shares	759,360.00	22,600.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
407 International Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated December 3, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
$1,400,000,000.00 - Medium-Term Notes (Secured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Casgrain & Company Limited
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #1194006

Issuer Name:
Action Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated December 3, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
$12,500,000.00 - Up to • Common Shares Price: $• per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Acumen Finance Partners Limited
Haywood Securities Inc.
Jennings Capital Inc.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1194336

Issuer Name:
Canadian National Railway Company
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Shelf Prospectus dated November 29, 2007
Mutual Reliance Review System Receipt dated November 30, 2007
Offering Price and Description:
U.S $2,500,000,000.00 - Debit Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1191726

Issuer Name:
China Opportunity Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated November 30, 2007
Mutual Reliance Review System Receipt dated November 30, 2007
Offering Price and Description:
Minimum Offering: $500,000.00 (2,500,000 Common Shares); Maximum Offering: $1,500,000.00 (7,500,000 Common Shares) Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Promoter(s):
Jesse Kaplan
Project #1193598

Issuer Name:
Counsel Money Market
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated November 30, 2007
Mutual Reliance Review System Receipt dated November 30, 2007
Offering Price and Description:
Series I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Counsel Group of Funds Inc.
Project #1193550

Issuer Name:
Exchange Industrial Income Fund
Principal Regulator - Manitoba
Type and Date:
Preliminary Short Form Prospectus dated December 4, 2007
Mutual Reliance Review System Receipt dated December 4, 2007
Offering Price and Description:
$10,000,100.00 - 909,100 Class A Trust Units Price: $11.00 per Class A Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Wellington West Capital Inc.
Promoter(s):
-
Project #1194624

Issuer Name:
Farallon Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated December 3, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
$20,000,400.00 - 28,572,000 Common Shares Price: $0.70 per Common Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Canaccord Capital Corporation
MGI Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1194199

Issuer Name:
Fraser Papers Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 30, 2007
Mutual Reliance Review System Receipt dated November 30, 2007
Offering Price and Description:
$*-* rights to purchase * Common Shares at a purchase price of $* per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1193373

Issuer Name:
Global Biotech Corp
Type and Date:
Preliminary Non-Offering Prospectus dated December 3, 2007
Receipted on December 3, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1185728

Issuer Name:
Magellan Minerals Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated November 26, 2007
Mutual Reliance Review System Receipt dated November 28, 2007
Offering Price and Description:
Offering of up to 12,000,000 Units $1.00 per Unit
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Salman Partners Inc.
Promoter(s):
Alan Carter
Project #1188860

Issuer Name:
StrataGold Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated November 28, 2007
Mutual Reliance Review System Receipt dated November 29, 2007
Offering Price and Description:
$14,500,000.00 - * Units @ $ * Per Unit and $5,000,000.00 - * Flow-Through Shares @ $ * Per Flow-Through Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc
Blackmont Capital Inc.
Jennings Capital Inc.
Westwind Partners Inc.
Promoter(s):
-
Project #1190329

Issuer Name:
Verbina Resources Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated November 30, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
$ * - * MINIMUM OF * UNITS AND * FLOW-THROUGH SHARES MAXIMUM OF * UNITS AND * FLOW-THROUGH SHARES PRICE: $ * per Unit and * per Flow-through Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Gordon Winter
Project #1193936

Issuer Name:
AGF Canadian Balanced Value Fund (formerly AGF Canadian Real Value Balanced Fund)
AGF Canadian Value Fund (formerly AGF Canadian Real Value Fund)
Principal Regulator - Ontario
Type and Date:
Amendment No. 5 dated November 23rd, 2007 to the Simplified Prospectuses dated April 20th, 2007 and an Amendment No. 6 dated November 23rd, 2007 to the Annual Information Forms dated April 20th, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #1066188

Issuer Name:
AGF ELEMENTS CONSERVATIVE PORTFOLIO (Mutual Fund Series, Series D, Series F and Series O Units)
AGF ELEMENTS BALANCED PORTFOLIO (Mutual Fund Series, Series D, Series F, Series O Units, Series T and Series V Units)
AGF ELEMENTS GROWTH PORTFOLIO (Mutual Fund Series, Series D, Series F, Series O Units, Series T and Series V Units)
AGF ELEMENTS GLOBAL PORTFOLIO (Mutual Fund Series, Series D, Series F and Series O Units)
AGF ELEMENTS YIELD PORTFOLIO (Mutual Fund Series, Series D, Series F and Series O Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 23, 2007
Mutual Reliance Review System Receipt dated November 28, 2007
Offering Price and Description:
Mutual Fund Series, Series D, Series F and Series O Units, Series T and Series V Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AGF Funds Inc.
Project #1171490

Issuer Name:
Astorius Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated November 30, 2007
Mutual Reliance Review System Receipt dated December 4, 2007
Offering Price and Description:
Maximum Offering: $900,000.00 or 6,000,000 Shares; Minimum Offering: $750,000.00 or 5,000,000 Shares Price: $0.15 per Share
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
-
Project #1176886

Issuer Name:
B2Gold Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated November 28, 2007
Mutual Reliance Review System Receipt dated November 29, 2007
Offering Price and Description:
C$100,000,000.00 - 40,000,000 Common Shares, Price at C$2.50 per Common Share
Underwriter(s) or Distributor(s):
Genuity Capital Markets
Canaccord Capital Corporation
GMP Securities L.P.
BMO Nesbitt Burns Inc.
Orion Securities Inc.
Haywood Securities Inc.
Promoter(s):
Roger Richer
Tom Garagan
Dennis Stansbury
Project #1172791

Issuer Name:
BluMont Canadian Fund (formerly Halcyon Hirsch Opportunistic Canadian Fund)
BluMont North American Fund (formerly Halcyon Hirsch Opportunistic Tactical Allocation Fund)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectuses and Annual Information Forms dated November 26th, 2007, amending and restating the Simplified Prospectuses and Annual Information Forms dated June 11th 2007
Mutual Reliance Review System Receipt dated November 30, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BluMont Capital Corporation
Promoter(s):
-
Project #1099709

Issuer Name:
Caza Oil & Gas, Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated November 28, 2007
Mutual Reliance Review System Receipt dated November 28, 2007
Offering Price and Description:
$20,000,000.00 (Maximum Offering); $15,000,000.00 (Minimum Offering) - A Minimum of 18,750,000 Common Shares and a Maximum of 25,000,000 Common Shares; Price: $0.80 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Caza Petroleum, Inc.
Project #1167289

Issuer Name:
Claymore 1-5 Yr Laddered Government Bond ETF (Common Units and Advisor Class Units)
Claymore Premium Money Market ETF (Common Units and Advisor Class Units)
Claymore Global Agriculture ETF (Common Units and Advisor Class Units)
Claymore Natural Gas Commodity ETF (Common Units)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 27, 2007
Mutual Reliance Review System Receipt dated December 4, 2007
Offering Price and Description:
Investment trust units at net asset value
Underwriter(s) or Distributor(s):
Claymore Investments, Inc.
Promoter(s):
-
Project #1166334

Issuer Name:
Franco-Nevada Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 30, 2007
Mutual Reliance Review System Receipt dated November 30, 2007
Offering Price and Description:
Cdn$1,094,400,000.00 - 72,000,000 Common Shares
Price: Cdn$15.20 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
UBS Securities Canada Inc
CIBC World Markets Inc.
Citigroup Global Markets Canada Inc.
J.P Morgan Securities Canada Inc.
RBC Dominion Securities Inc.
GMP Securities L.P.
Dundee Securities Corporation
Genuity Capital Markets
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Paradigm Capital Inc.
Wellington West Capital Markets Inc.
.
Promoter(s):
Newmont Mining Corporation
Project #1171016

Issuer Name:
Excel China Fund
Excel Chindia Fund
Excel Emerging Europe Fund
Excel Income and Growth Fund
Excel India Fund
Excel Money Market Fund
(Series A, F and O units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 30, 2007
Mutual Reliance Review System Receipt dated December 4, 2007
Offering Price and Description:
Series A, F and O units
Underwriter(s) or Distributor(s):
Excel Funds Management Inc.
Promoter(s):
Excel Funds Management Inc.
Project #1169747

Issuer Name:
Geo Minerals Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated November 29, 2007
Mutual Reliance Review System Receipt dated November 30, 2007
Offering Price and Description:
$1,000,000.00 - 3,500,000 Units and 1,500,000 Flow-Through Shares (at $0.20 per Unit and $0.20 per Flow-Through Share)
Underwriter(s) or Distributor(s):
Bolder Investment Partners, Ltd.
Promoter(s):
Michael England
Project #1155582

Issuer Name:
Innergex Renewable Energy Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated November 28, 2007
Mutual Reliance Review System Receipt dated November 28, 2007
Offering Price and Description:
$115,005,000.00 - 10,455,000 Common Shares Price: $11.00 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Promoter(s):
-
Project #1172315

Issuer Name:
Series A, I and O Securities of :
Keystone AGF Equity Fund
Keystone AIM Trimark Global Equity Fund
Keystone Beutel Goodman Bond Fund
Keystone Bissett Canadian Equity Fund
Keystone Dreman U.S. Value Fund
Keystone Elliott & Page High Income Fund
Series A, F, I and O Securities of :
Keystone Saxon Smaller Companies Fund
Series A, F, G, I, P, T6 and T8 Securities of:
Keystone Diversified Income Portfolio Fund
Keystone Conservative Portfolio Fund
Keystone Balanced Portfolio Fund
Keystone Balanced Growth Portfolio Fund
Series A, F, G and I Securities of :
Keystone Growth Portfolio Fund
Keystone Maximum Growth Portfolio Fund
Series A, I, O and R Securities of :
Keystone Dynamic Power Small -Cap Class
Keystone Templeton International Stock Class
of Mackenzie Financial Capital Corporation
Principal Regulator - Ontario
Type and Date:
Amendment #4 dated November 15, 2007 to the Simplified Prospectuses dated May 30, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #1087975

Issuer Name:
MINT Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 26, 2007
Mutual Reliance Review System Receipt dated November 28, 2007
Offering Price and Description:
Offering 14,700,000 Rights to subscribe for an aggregate of up to 4,900,000 Units
Subscription Price: Three Rights and $9.75 per Unit
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
-
Project #1166985

Issuer Name:
OTTERBURN VENTURES INC
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated November 28, 2007
Mutual Reliance Review System Receipt dated November 29, 2007
Offering Price and Description:
Maximum Offering: $500,000.00: MINIMUM OFFERING OF 2,250,000 COMMON SHARES; MAXIMUM OFFERING OF 2,500,000 COMMON SHARES PRICE: $0.20 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Wolverton Securities Ltd.
Promoter(s):
David Eaton
Project #1136211

Issuer Name:
Parlane Resource Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated November 26, 2007
Mutual Reliance Review System Receipt dated November 28, 2007
Offering Price and Description:
$400,000.00 - 2,000,000 common shares PRICE: $0.20 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #1160651

Issuer Name:
Pisces Capital Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 28, 2007
Mutual Reliance Review System Receipt dated November 29, 2007
Offering Price and Description:
Minimum Offering: $3,000,000.00; Maximum Offering: $5,000,000.00: Price per A Unit: $500; Price per B Unit: $500 Price per C Unit: $500
Underwriter(s) or Distributor(s):
CTI Capital Inc.
Research Capital Corp.
Promoter(s):
Mendel Ekstein
Andreas Jacob
Project #1159475

Issuer Name:
Quest Uranium Corporation
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated November 29, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
(1) Rights to Subscribe for a Maximum of approximately 6,256,000 Common Shares of Quest Uranium Corporation Maximum - $938,400.00; (2) Secondary Offering of Approximately 6,256,000 Common Shares of Quest Uranium Corporation to the Shareholders of Freewest Resources Canada Inc. by Way of Dividend in Kind Price: $0.15 per Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
Freewest Resources Canada Inc.
Project #1166063

Issuer Name:
RBC Dominion Securities U.S. Focus List Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated November 30, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
Mutual fund securities at net asset value
Underwriter(s) or Distributor(s):
First Defined Portfolio Management Co.
Promoter(s):
First Defined Portfolio Management Co;
Project #1172556

Issuer Name:
Remington Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated November 29, 2007
Mutual Reliance Review System Receipt dated December 3, 2007
Offering Price and Description:
$1,400,000.00 - Maximum Offering of 7,000,000 Units; and Minimum Offering of 6,000,000 Units $0.20 per Unit
Underwriter(s) or Distributor(s):
Integral Wealth Securities Limited
Promoter(s):
Paul Ankcorn
Project #1155276

Issuer Name:
Sentry Select Global Real Estate Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated November 29, 2007
Mutual Reliance Review System Receipt dated November 30, 2007
Offering Price and Description:
Maximum: $100,000,000 (10,000,000 Combined Units @ $10 per Unit)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Wellington West Capital Inc.
Berkshire Securities Inc.
Desjardins Securities Inc.
Laurentian Bank Securities Inc.
Research Capital Corporation
Richardson Partners Financial Limited
Promoter(s):
Sentry Select Capital Corp.
Project #1173746

Issuer Name:
Public Storage Canadian Properties
Type and Date:
Rights Offering Circular dated September 10, 2007
Accepted on September 10, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1137495

Issuer Name:
Mavrix TSX Venture Graduation Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated September 25th, 2007
Withdrawn on November 28th, 2007
Offering Price and Description:
$50,000,000 (5,000,000 Warranted Units) MaximumPrice:
$10.00 per Warranted Unit
Minimum Purchase: 100 Warranted Units
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Market Inc.
RBC Dominion Securities Inc.
Dundee Securities Corporation
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Berkshire Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
MGI Securities Inc.
Wellington West Capital Inc.
GMP Securities L.P.
Industrial Alliance Corporation
Laurentian Bank Securities Inc.
Raymond James Ltd.
Promoter(s):
Mavrix Fund Management Inc.
Project #1161850

Issuer Name:
The Phoenician Fund Corporation II
Type and Date:
Preliminary CPC Prospectus dated February 20th, 2007
Closed on November 27th, 2007
Offering Price and Description:
MINIMUM OFFERING: $300,000 or 1,875,000 Common Shares
MAXIMUM OFFERING: $1,900,000 or 11,875,000 Common Shares
Price: $0.16 per Common Share
Underwriter(s) or Distributor(s):
Pope & Company Limited
Promoter(s):
Edwin S. Lee
Nicholas C. Wilson
Project #1053246

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Hélène Dion Investment Management Inc.	Investment Counsel and Portfolio Manager	November 28, 2007
Change in registration category	Stellation Asset Management LLC	From: International Adviser and Limited Market Dealer To: Non-Canadian Adviser (Investment Counsel & Portfolio Manager) and Limited Market Dealer	November 29, 2007
Name Change	From: Suntrust Capital Markets Inc. To: Suntrust Robinson Humphrey, Inc.	International Dealer.	August 1, 2007
New Registration	Gestion D'Actifs Synat Inc./Synat Asset Management Inc.	Extra-Provincial Investment Counsel and Portfolio Manager	December 4, 2007
Name Change	From: Jeffrey D. Stacey & Associates Ltd. To: Stacey Muirhead Capital Management Ltd.	Limited Market Dealer, Investment Counsel and Portfolio Manager	December 1, 2007

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Issues Notice of Settlement Hearing Regarding Berkshire Investment Group Inc.

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF SETTLEMENT HEARING
REGARDING BERKSHIRE INVESTMENT GROUP INC.

November 29, 2007 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has issued a second Notice of Settlement Hearing regarding the presentation, review and considerations of a proposed settlement agreement by the Pacific Regional Council.

The settlement agreement will be between staff of the MFDA and Berkshire Investment Group Inc. ("Berkshire") and involves matters for which Berkshire may be disciplined by the Regional Council, pursuant to MFDA By-laws.

The subject matter of the proposed settlement agreement concerns allegations that Berkshire failed to conduct reasonable supervisory investigations of the activities of former Approved Person, Ian Gregory Thow, and to take such reasonable supervisory and disciplinary measures as would be warranted by the results of its investigations, contrary to MFDA Rules 2.5.1, 2.1.1(c) and the public interest.

At the first settlement hearing held on October 22, 2007, the Hearing Panel declined to approve an earlier settlement agreement entered into between staff of the MFDA and Berkshire concerning the same subject matter. Following that hearing, the MFDA and Berkshire were free to attempt to reach a different settlement or the MFDA could issue a Notice of Hearing under sections 20 and 24 of MFDA By-law No. 1 in respect of the events that were the subject of the Settlement Hearing.

The second settlement hearing is scheduled to commence at 1:00 p.m. (Vancouver) on Thursday, December 13, 2007 in the Hearing Room located at the Wosk Centre for Dialogue, 580 West Hastings Street, Vancouver, British Columbia. The hearing is open to the public except as may be required for the protection of confidential matters. A copy of the second Notice of Settlement Hearing is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations; standards of practice and business conduct of its 161 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.
For previous press releases in this matter, see:

- http://www.mfda.ca/news/releases07/Release_NOSH-Berkshire.pdf
- http://www.mfda.ca/news/releases07/Release_SArej-Berkshire.pdf

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.2 MFDA Hearing Panel Issues Decision and Reasons Respecting John A. Moro Disciplinary Hearing

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES DECISION
AND REASONS RESPECTING
JOHN A. MORO DISCIPLINARY HEARING

November 29, 2007 (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Decision and Reasons in connection with the disciplinary hearing held in Toronto, Ontario on November 19, 2007 in respect of John Moro.

A copy of the Decision and Reasons is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 161 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

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