

The Ontario Securities Commission

OSC Bulletin

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The Ontario Securities Commission administers the 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)

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

AUGUST 22, 2008

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
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Margot C. Howard	—	MCH
Kevin J. Kelly	—	KJK
Paulette L. Kennedy	—	PLK
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

September 2, 2008		LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia
2:30 p.m.		

s. 127

M. Britton in attendance for Staff

Panel: LER/ST

September 2, 2008		FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun
3:30 p.m.		

s. 127

M. Mackewn in attendance for Staff

Panel: LER/ST

September 3, 2008		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
9:00 a.m..		

s. 127

C. Price in attendance for Staff

Panel: JEAT/CSP

September 4, 2008		Rodney International, Choeun Chhean (also known as Paulette C. Chhean) and Michael A. Gittens (also known as Alexander M. Gittens)
1:00 p.m.		

s. 127

M. Britton in attendance for Staff

Panel: WSW/ST

September 9, 2008	Irwin Boock, Svetlana Kouznetsova, Victoria Gerber, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group	September 16, 2008	Darren Delage
1:00 p.m.		2:30 p.m.	s. 127
	s. 127(1) & (5)		M. Adams in attendance for Staff
	P. Foy in attendance for Staff		Panel: TBA
	Panel: JEAT/ST	September 16, 2008	Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson
September 9, 2008	Stanton De Freitas	2:30 p.m.	s. 127(1) and 127(5)
1:00 p.m.	s. 127 and 127.1		M. Boswell in attendance for Staff
	P. Foy in attendance for Staff		Panel: TBA
	Panel: JEAT/ST	September 19, 2008	Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith
September 9, 2008	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.	10:00 a.m.	and Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels
1:00 p.m.			s. 127
	s. 127 and 127.1		M. Vaillancourt in attendance for Staff
	P. Foy in attendance for Staff		Panel: PJL/WSW/DLK
	Panel: JEAT/ST	September 22, 2008	John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir
September 11, 2008	Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries	10:00 a.m.	S. 127 and 127.1
9:00 a.m.			I. Smith in attendance for Staff
	s. 127 & 127.1		Panel: TBA
	M. Britton in attendance for Staff	September 26, 2008	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson
	Panel: JEAT/MCH	10:00 a.m.	s.127
September 12, 2008	Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney		J. Superina in attendance for Staff
10:00 a.m.	s. 127		Panel: LER/MCH
	J. Superina in attendance for Staff		
	Panel: JEAT/ST/DLK		

September 30, 2008	Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester	October 27, 2008	Adrian Samuel Leemhuis, Future Growth Group Inc., Future Growth Fund Limited, Future Growth Global Fund limited, Future Growth Market Neutral Fund Limited, Future Growth World Fund and ASL Direct Inc.
10:00 a.m.		10:00 a.m.	
	s. 127 & 127.1		
	M. Boswell in attendance for Staff		s. 127(5)
	Panel: JEAT/DLK		K. Daniels in attendance for Staff
October 6, 2008	Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas	November 3, 2008	Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited
10:00 a.m.		10:00 a.m.	
	s.127		
	P. Foy in attendance for Staff		s. 127
	Panel: TBA		M. Britton/M. Boswell in attendance for Staff
October 7, 2008	Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan		Panel: TBA
10:00 a.m.		November 11, 2008	LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia
	s.127	2:30 p.m.	
	H. Craig in attendance for Staff		
	Panel: TBA		s. 127
October 8, 2008	MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric		M. Britton in attendance for Staff
10:00 a.m.			Panel: LER/ST
	s. 127 & 127(1)		
	D. Ferris in attendance for Staff		
	Panel: TBA	November 25, 2008	Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman
October 20, 2008	Shane Suman and Monie Rahman	2:30 p.m.	
10:00 a.m.			
	s. 127 & 127(1)		s. 127(7) and 127(8)
	C. Price in attendance for Staff		M. Boswell in attendance for Staff
	Panel: TBA		Panel: TBA

December 1, 2008	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton	April 6, 2009	Gregory Galanis
TBA		10:00 a.m.	s. 127
	s. 127		P. Foy in attendance for Staff
	H. Craig in attendance for Staff	April 20, 2009	Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester
	Panel: TBA	10:00 a.m.	s. 127
December 3, 2008	Global Energy Group, Ltd. and New Gold Limited Partnerships		S. Horgan in attendance for Staff
10:00 a.m.	s. 127		Panel: TBA
	H. Craig in attendance for Staff		
	Panel: TBA	May 4, 2009	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
January 12, 2009	Franklin Danny White, Naveed Ahmad Qureshi, WNBC The World Network Business Club Ltd., MMCL Mind Management Consulting, Capital Reserve Financial Group, and Capital Investments of America	10:00 a.m.	s. 127 and 127.1
10:00 a.m.	s. 127		Y. Chisholm in attendance for Staff
	C. Price in attendance for Staff		Panel: TBA
	Panel: TBA		
February 2, 2009	Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling	September 21, 2009	Swift Trade Inc. and Peter Beck
10:00 a.m.	s. 127(1) and 127.1	10:00 a.m.	s. 127
	J. Superina/A. Clark in attendance for Staff		S. Horgan in attendance for Staff
	Panel: TBA		Panel: TBA
March 23, 2009	Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony	TBA	Yama Abdullah Yaqeen
10:00 a.m.	s. 127 and 127.1		s. 8(2)
	H. Craig in attendance for Staff		J. Superina in attendance for Staff
	Panel: TBA		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 **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 **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: JEAT/DLK/CSP

TBA **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

TBA **Matthew Scott Sinclair**

s.127

P. Foy in attendance for Staff

Panel: TBA

TBA **Robert Kasner**

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA **First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman**

s. 127

D. Ferris in attendance for Staff

Panel: WSW/ST/MCH

TBA **New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price**

s. 127

S. Kushneryk in attendance for Staff

Panel: TBA

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

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

ADJOURNED SINE DIE

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

Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia

Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman

1.1.2 Grey Horse Corporation and Equity Transfer and Trust Company - Notice of Correction

The text of an addendum to the headnote was inadvertently printed in *Grey Horse Corporation and Equity Transfer and Trust Company* (2008), 31 OSCB 7937. This text should not have appeared as part of the decision and has been deleted from online versions.

1.2 Notices of Hearing

1.2.1 Daniel Duic

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

AND

**IN THE MATTER OF
DANIEL DUIC**

NOTICE OF HEARING

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission, 20 Queen Street West, 17th Floor, Large Hearing Room, commencing on August 19, 2008 at 2:30 p.m., or as soon thereafter as the hearing can be held:

AND TAKE NOTICE the purpose of the hearing is to consider whether it is in the public interest for the Commission to make an order that:

- (a) pursuant to clause 2 of subsection 127(1), trading in any securities by the Respondent cease permanently or for such other period as specified by the Commission;
- (b) pursuant to clause 2.1 of subsection 127(1), acquisition of any securities by the Respondent is prohibited, permanently or for the period specified by the Commission;
- (c) pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to the Respondent permanently or for such other period as specified by the Commission;
- (d) pursuant to clause 6 of subsection 127(1), the Respondent be reprimanded;
- (e) pursuant to clause 7 of subsection 127(1), the Respondent resign one or more positions he holds as a director or officer of an issuer;
- (f) pursuant to clause 8 of subsection 127(1), the Respondent be prohibited from becoming or acting as a director or officer of any issuer;
- (g) pursuant to clause 8.1 of subsection 127(1), the Respondent resign one or more positions that he holds as a director or officer of a registrant;

- (h) pursuant to clause 8.2 of subsection 127(1), the Respondent is prohibited from becoming or acting as a director or officer of a registrant;
- (i) pursuant to clause 8.3 of subsection 127(1), the Respondent resign one or more positions that the person holds as a director or officer of an investment fund manager;
- (j) pursuant to clause 8.4 of subsection 127(1), the Respondent is prohibited from becoming or acting as a director or officer of an investment fund manager;
- (k) pursuant to clause 8.5 of subsection 127(1), the Respondent is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- (l) pursuant to clause 9 of subsection 127(1), the Respondent pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law to the Commission;
- (m) pursuant to clause 10 of subsection 127(1), the Respondent disgorge to the Commission any amounts obtained as a result of non-compliance with securities law;
- (n) pursuant to section 127.1, the Respondent pay the costs of the investigation and the costs of or related to the hearing incurred by or on behalf of the Commission; and,
- (o) such other order as the Commission may consider appropriate.

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated August 14, 2008, and such additional allegations as counsel may advise and the Commission may permit;

AND FURTHER TAKE NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing.

AND FURTHER TAKE NOTICE that if the Respondent to the proceedings fails to attend, the hearing may proceed in the absence of the party and the party is not entitled to any further notice of the proceeding.

AND TAKE FURTHER NOTICE that upon 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 14th day of August, 2008

"John Stevenson"

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

AND

**IN THE MATTER OF
DANIEL DUIC**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION**

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

I. Background

2. On or about November 20, 2002, Daniel Duic ("Duic") entered into a settlement agreement (the "Settlement Agreement") with Staff pursuant to which he admitted to having engaged in illegal insider trading in breach of section 76(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to his trading in the securities of Canadian Pacific Limited and Moffat Communications Limited in 2000 and 2001. The particulars of this trading are set out in detail in the Settlement Agreement and in the Supplemental Agreed Facts From The Submissions Of Staff Of The Ontario Securities Commission.

3. On March 3, 2004, the Commission held a hearing, at which Duic was present with counsel, to consider whether it was in the public interest to approve the Settlement Agreement. The Commission approved the Settlement Agreement and made the following Order (the "2004 Order"):

1. the Settlement Agreement dated November 20, 2002, a copy of which is attached, is hereby approved. The Settlement Agreement includes the term that Duic will make a settlement payment of \$1,900,000 to the Commission for allocation to or for the benefit of such third parties as may be approved by the Minister under s.3.4(2) of the Act;
2. Duic will pay \$25,000 for costs pursuant to s.127.1 of the Act;
3. Trading in any securities by Daniel Duic shall cease permanently, effective immediately, with the exception that (a) Daniel Duic is permitted to trade mutual funds through a registered dealer for the account of his registered retirement savings plan (as defined in the *Income Tax Act (Canada)*) and (b) Daniel Duic may divest himself of securities held as of the date of this Order within 30 days from the date of this Order (the "Cease Trade Order");

4. Exemptions contained in Ontario securities law do not apply to Daniel Duic permanently;

5. Daniel Duic is hereby reprimanded;

6. Daniel Duic must resign from all positions that he holds as a director or officer of a reporting issuer, effective immediately; and

7. Daniel Duic is permanently prohibited from becoming or acting as a director or officer of a reporting issuer.

4. Pursuant to the terms of the 2004 Order, Duic made a settlement payment in the amount of \$1,900,000 and a payment of costs in the amount of \$25,000 to the Commission.

5. Duic testified as a witness for the Crown in a trial before Justice Khawley in the Provincial Court of Justice held in May through June of 2005 in relation to charges that Andrew Rankin ("Rankin") engaged in ten counts of illegal insider tipping, in breach of sections 76(2) and 122 of the Act. Specifically, Rankin was charged with providing Duic with undisclosed material information while Rankin was in a special relationship with certain issuers (the "Issuers"). With the benefit of this information from Rankin, Duic made substantial profits trading in the securities of the Issuers.

II. Trading in U.S. Account

6. In or about February of 2005, Duic moved to Los Angeles, California, although he continued to travel approximately every second week between Toronto, Ontario and Los Angeles for the purposes of his software businesses.

7. Duic has held, and continues to hold, a trading account at a TD Ameritrade branch located on Pacific Avenue, Venice, California (the "U.S. Account") since 1998. The last trade conducted in the U.S. Account was in April of 2005, when Duic sold all securities held in it.

III. Breach of the Cease Trade Order

8. At all material times, Duic held a U.S. dollar margin account and an RRSP account at TD Waterhouse Canada (the "Toronto Accounts"). The Toronto Accounts used for the Transactions (as defined herein) at issue are the same accounts used by Duic to engage in the illegal insider trading that was the subject of the Settlement Agreement approved by the Commission on March 3, 2004.

9. Between March 16, 2007 and December 11, 2007, Duic engaged in the following purchasing and trading of shares from the Toronto Accounts (the "Transactions"):

- (a) On March 16, 2007, Duic purchased 500 shares of The Boeing Company at an aggregate cost of \$45,344 (U.S.). These

shares were purchased in Duic's RRSP account;

- (b) On June 26, 2007, Duic purchased 7,500 shares of Cerner Corporation at an aggregate cost of \$421,570.35 (U.S.). These shares were purchased in Duic's U.S. dollar margin account;
- (c) On August 8, 2007, Duic sold 7,500 shares of Cerner Corporation at an aggregate price of \$462,419.11 (U.S.) and realized a profit of **\$40,848.76 (U.S.)**. These shares were sold from Duic's U.S. dollar margin account and on or about August 14, 2007, TD Waterhouse Canada Inc. sent a cheque in the amount of \$50,000 (U.S.) to Duic;
- (d) On October 10, 2007 and November 27, 2007, Duic purchased 1,800 shares of Cerner Corporation at an aggregate cost of \$111,498.64 (U.S.). These shares were purchased in Duic's U.S. dollar margin account. Duic continues to hold these shares;
- (e) On December 3, 2007, Duic purchased 1,500 shares of RCM Technologies Inc. at an aggregate cost of \$8,865 (U.S.). These shares were purchased in Duic's RRSP account. Duic continues to hold these shares;
- (f) On December 7, 2007, Duic purchased 1,000 shares of The Boeing Company at an aggregate cost of \$93,029.69 (U.S.). These shares were purchased in Duic's U.S. dollar margin account; and,
- (g) On December 11, 2007, Duic purchased 5,000 shares of RCM Technologies Inc. at an aggregate cost of \$30,009.99 (U.S.). Duic continues to hold these shares.

10. All of the securities referred to in paragraph 9 above, were listed on the New York Stock Exchange and/or the NASDAQ and the trades were executed on those exchanges.

11. The securities referred to in paragraph 9, above, are not mutual funds.

12. Duic resumed his primary residency in Toronto from Los Angeles in or about August of 2007. He continues, however, for the purposes of his software businesses, to travel regularly between Toronto and Los Angeles.

13. Duic gave instructions for the Transactions through the phone or internet. Some of the instructions

were given when Duic was in Toronto and some were given by him from Los Angeles.

14. On December 12, 2007, Duic was contacted by TD Waterhouse Canada and advised that the Toronto Accounts had been frozen by TD Waterhouse Canada.

IV. Conduct Contrary to Ontario Securities Law and Contrary to the Public Interest

15. Duic acted contrary to Ontario securities law and contrary to the public interest by engaging in the Transactions in breach of the Cease Trade Order.

16. Staff reserves the right to make such further allegations as Staff may advise and the Commission may permit.

DATED at Toronto this 14th day of August, 2008

1.4 Notices from the Office of the Secretary

1.4.1 Daniel Duic

**FOR IMMEDIATE RELEASE
August 14, 2008**

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

AND

**IN THE MATTER OF
DANIEL DUIC**

TORONTO – The Office of the Secretary issued a Notice of Hearing today setting the matter down to be heard on August 19, 2008 at 2:30 p.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated August 14, 2008 and Statement of Allegations of Staff of the Ontario Securities Commission dated August 14, 2008 are 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)

1.4.2 John Daubney and Cheryl Littler

**FOR IMMEDIATE RELEASE
August 15, 2008**

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

AND

**IN THE MATTER OF
JOHN DAUBNEY AND CHERYL LITTLER**

TORONTO – The Commission issued its Reasons and Decision: Sanctions and Costs in the above noted matter.

A copy of the Reasons and Decision: Sanctions and Costs dated August 14, 2008 is available at www.osc.gov.on.ca.

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416-593-8314
1-877-785-1555 (Toll Free)

1.4.3 New Life Capital Corp. et al.

**FOR IMMEDIATE RELEASE
August 18, 2008**

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

AND

**IN THE MATTER OF
NEW LIFE CAPITAL CORP.,
NEW LIFE CAPITAL INVESTMENTS INC.,
NEW LIFE CAPITAL ADVANTAGE INC.,
NEW LIFE CAPITAL STRATEGIES INC.,
1660690 ONTARIO LTD., L. JEFFREY POGACHAR,
PAOLA LOMBARDI AND ALAN S. PRICE**

TORONTO – The Commission issued a Variation of Temporary Order in the above named matter.

A copy of the Variation of Temporary Order dated August 15, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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& Public Affairs
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Hostopia.com Inc.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions - Application for an order that the issuer is not a reporting issuer – Filer has no publicly held securities – no intention to seek public financing – Filer cannot provide the British Columbia Securities Commission with a notice of surrender containing the prescribed representations more than 10 days prior to the date on which it seeks to not to be a reporting issuer.

Applicable Legislative Provisions

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

August 14, 2008

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

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HOSTOPIA.COM INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer in the Jurisdictions (the **Exemptive Relief Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation governed by the laws of the State of Delaware with its principal Canadian office located in Mississauga, Ontario.
2. The authorized capital of the Filer consists of 1,000 shares of common stock. As of the date hereof, 100 shares of common stock of the Filer are issued and outstanding.
3. The Filer is a reporting issuer in each of the Jurisdictions and is a registrant with the United States Securities and Exchange Commission. The Filer's shares of common stock were listed for trading on the Toronto Stock Exchange (**TSX**).
4. The Filer entered into an agreement and plan of merger (the **Merger Agreement**), dated as of June 18, 2008, among Deluxe Corporation (**Deluxe**), Deluxe Business Operations Inc. (**Operating Sub**), a wholly-owned subsidiary of Deluxe, and Helix Merger Corp., a wholly-owned subsidiary of Operating Sub, pursuant to which Deluxe, through a wholly-owned subsidiary, acquired all of the Filer's issued and outstanding shares of common stock (the **Merger**). The Filer's stockholders approved the Merger and adoption of the Merger Agreement at a special meeting of stockholders held on July 30, 2008.
5. The Merger closed, and a certificate of merger was filed with the Secretary of State of the State of Delaware, on July 30, 2008.

6. Effective 12:01 a.m. on August 6, 2008, Deluxe, through a wholly-owned subsidiary, acquired 100% of the Filer's shares of common stock.
7. The Filer's shares of common stock were de-listed from the TSX at the close of business on August 6, 2008.
8. The Filer is unable to rely on CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer (CSA 12-307)* and BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status (the BC Instrument)* in order to apply for the Exemptive Relief Sought because it did not surrender its status as a reporting issuer under the Securities Act (British Columbia) pursuant to the BC Instrument to avoid the 10-day waiting period (the **Waiting Period**) under the BC Instrument (which is a condition precedent to the other jurisdictions making a decision under CSA 12-307). If the Filer waited for the Waiting Period to lapse, it would have to file its interim financial statements on August 14, 2008.
9. As a result of the Merger, 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.
10. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
11. The Filer has no current intention to seek public financing by way of an offering of securities.
12. The Filer is applying for a decision that the Filer in not a reporting issuer in all the jurisdictions in Canada in which it is currently a reporting issuer.
13. Upon the grant of the Exemptive Relief Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.
14. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

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

"Jo-Anne Matear"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Rice Financial Group Inc. and Farm Mutual Financial Services Inc. - NI 33-109 Registration Information, s. 7.1(1)

Application seeking relief from certain filing requirements of National Instrument 33-109 Registration Information in connection with a bulk transfer of business locations and registered and non-registered individuals under an asset purchase – order drafted to make reference to selling firm's suspension of registration and bankruptcy proceedings – relief granted subject to OSC approval of list of selling firm's personnel to be terminated in advance of bulk transfer – order drafted to account for specific factual circumstances surrounding proposed transaction.

National Instruments Cited

National Instrument 31-109 Registration Information.

Companion Policies Cited

Companion Policy 33-109CP.

August 14, 2008

IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO

AND

IN THE MATTER OF RICE FINANCIAL GROUP INC.

AND

IN THE MATTER OF FARM MUTUAL FINANCIAL SERVICES INC.

DECISION (Subsection 7.1(1) of National Instrument 33-109)

UPON the application (the **Application**) of Rice Financial Group Inc. (**Rice**) and Farm Mutual Financial Services Inc. (**FM**) (collectively, the **Filers**) to the Ontario Securities Commission (the **Commission**), for a decision pursuant to section 7.1 of National Instrument 33-109 *Registration Information (NI 33-109)* exempting the Filers from certain filing requirements under NI 33-109, so as to permit the bulk transfer of all of the registered individuals and all of the locations of FM to Rice (the **Bulk Transfer**) on or about August 11, 2008 in accordance with section 3.1 of the companion policy to NI 33-109 (the **Exemption Sought**).

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

AND UPON the Filers having represented to the Director that:

1. Rice is a wholly-owned subsidiary of Jovian Capital Corporation. The executive office of Rice is in Ontario.
2. Rice is registered as a mutual fund dealer and limited market dealer in Ontario. Rice is a Level 4 member of the Mutual Fund Dealers Association of Canada (the **MFDA**).
3. FM is a corporation incorporated under the laws of Ontario. The head office of FM is in Ontario.
4. FM is registered as a mutual fund dealer and limited market dealer in Ontario. FM is a Level 3 member of the MFDA. On August 7, 2008, FM filed an assignment for the benefit of its creditors pursuant to section 49.1 of the Bankruptcy and Insolvency Act (Canada). FM has applied to the Commission and the MFDA to suspend its registration and membership, respectively.
5. On August 13, 2008, Rice entered into an agreement with FM wherein Rice will acquire certain assets (the **Purchased Assets**) of FM (the **Proposed Transaction**).
6. The Trustee in Bankruptcy has received a vesting order from the Superior Court of Justice on August 13, 2008 approving the Proposed Transaction.
7. An application was filed with the MFDA on July 31, 2008 seeking the approval of the MFDA to the purchase of the Purchased Assets by Rice.
8. Effective on or about August 14, 2008, all of the current registerable activities of FM are expected to be transferred to Rice. Rice is expected to assume all of the existing registrations and approvals for all of the registered individuals and all of the locations of FM. Rice does not anticipate that there will be any disruption in the ability of Rice to trade on behalf of FM's clients, and Rice should be able to trade immediately after the Proposed Transaction.
9. Following the Proposed Transaction, Rice will continue to be registered in the categories of mutual fund dealer and limited market dealer. Rice will continue to be a member of the MFDA and will be subject to, and will comply with, all of Canada's applicable securities laws, including those of the MFDA.
10. Staff of the Commission have approved a list prepared by Rice listing the FM personnel to be terminated by FM prior to the Bulk Transfer.
11. The Exemption Sought will not be contrary to public interest and will have no negative consequences on the ability of Rice to comply with all applicable regulatory requirements or the ability to satisfy any obligations in respect of the clients of Rice and FM.

12. Given the significant number of registered individuals and locations of FM, it would be extremely difficult to transfer each individual and location to Rice in accordance with the requirements of NI 33-109 if the Exemption Sought is not granted.

13. A press release will be issued immediately after the approval of the Proposed Transaction to confirm such change. A notice will also be mailed to the clients of FM confirming that the Proposed Transaction has been approved and how the operations of FM will be integrated into Rice over the following months.

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to make the requested Decision on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 7.1 of NI 33-109 that the following requirements of NI 33-109 shall not apply to Rice and FM in respect of the Bulk Transfer:

- (a) the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of NI 33-109;
- (b) the requirement to submit a notice regarding each individual who ceases to be a permitted individual under section 5.2 of NI 33-109;
- (c) the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of NI 33-109;
- (d) the requirement to submit a Form 33-109F4 for each permitted individual under section 3.3 of NI 33-109; and
- (e) the requirement under section 3.1 of NI 33-109 to notify the regulator of a change to the business location information in Form 33-109F3,

provided that Rice and FM make acceptable arrangements with CDS Inc. for the payment of the costs associated with the Bulk Transfer, and make such payment in advance of the Bulk Transfer.

"Donna Leitch"
Assistant Manager, Registrant Regulation
Ontario Securities Commission

**2.1.3 DRAXIS Specialty Pharmaceuticals Inc.,
formerly DRAXIS Health Inc. - s. 1(10)**

Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

Headnote

"Cameron McInnis"
Manager Corporate Finance
Ontario Securities Commission

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

August 18, 2008

MCCARTHY TÉTRAULT LLP

1000 De La Gauchetière Street West
Suite 2500
Montreal (Québec)
H3B 0A2

Dear Mtre Thomas Laporte Aust:

**Re: DRAXIS Specialty Pharmaceuticals Inc.,
formerly DRAXIS Health Inc. (the Applicant) -
application for a decision under the securities
legislation of Alberta, Saskatchewan,
Manitoba, Ontario, Québec, new-Brunswick,
Nova Scotia, Prince Edward Island and
Newfoundland and Labrador (the
Jurisdictions) that the Applicant is not a
reporting issuer**

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 that the Applicant is not a reporting issuer.

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 fewer than 15 security holders in each of the jurisdictions in Canada and fewer 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 a decision that it is not 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

2.1.4 Franklin Templeton Investments Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to allow two global bond funds and a global balanced fund to invest more than 10 percent of net assets in debt securities issued by a foreign government or supranational agency, subject to certain condition – National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 19.1.

August 12, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
THE PROVINCE OF ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
FRANKLIN TEMPLETON INVESTMENTS CORP.
(the Manager),
TEMPLETON GLOBAL INCOME FUND,
FRANKLIN STRATEGIC INCOME FUND AND
FRANKLIN TEMPLETON GLOBAL
AGGREGATE BOND FUND
(collectively, the Funds)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager and the Funds (the Filers) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for an exemption pursuant to section 19.1 of National Instrument 81-102 – *Mutual Funds* (NI 81-102) from subsection 2.1(1) of NI 81-102 (the Concentration Restriction), which prohibits a mutual fund from investing more than 10% of the net assets of the fund, taken at market value at the time of the transaction, in securities of any issuer (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (MI 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the Non-Principal Jurisdictions).

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Manager is a corporation amalgamated under the laws of Ontario and is registered as an advisor in the categories of investment counsel and portfolio manager or the equivalent in Ontario as well as British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Yukon. The Manager is also registered as a mutual fund dealer in Ontario and Alberta. The Manager is the trustee and manager of the Funds. The Manager's head office is in Toronto, Ontario.
2. The Funds are open-end mutual funds established under the laws of Ontario.
3. The Funds are reporting issuers under the securities laws of Ontario and the Non-Principal Jurisdictions. The Funds are not in default of any requirements of applicable securities legislation.
4. The Funds are qualified for distribution in Ontario and the Non-Principal Jurisdictions under a simplified prospectus and annual information form dated June 20, 2008, as amended.
5. Templeton Global Income Fund (TGIF) is a global balanced fund. TGIF's investment objective is current income while maintaining prospects for capital appreciation by investing primarily in debt and equity securities issued around the world. TGIF looks to achieve its objective through strategies that include, but are not limited to: (i) seeking income by investing in a combination of corporate, agency and government debt securities issued in numerous countries, including developed and developing countries and emerging markets, as well as stocks that offer or could offer attractive dividend yields; and (ii) potentially investing in debt securities that are rated below investment grade. TGIF is not restricted with respect to its mix of equity and fixed income investments and normally expects to

- invest approximately 50% of its net assets in fixed income securities.
6. Franklin Strategic Income Fund (FSIF) is an international bond fund. FSIF's investment objective is high current income and some long-term capital appreciation by investing primarily in fixed income securities issued in the U.S. and throughout the world. Under normal market conditions, FSIF's investment strategies involve investing at least 65% of its assets in U.S. and global debt securities. Debt securities include all varieties of fixed and floating income securities, including bonds, mortgage securities, corporate loans and loan participations, and other asset-backed securities and convertible securities.
 7. Franklin Templeton Global Aggregate Bond Fund (FTGABF) is an international bond fund. FTGABF's investment objective is high current income and some long-term capital appreciation by investing primarily in fixed-income securities and preferred shares issued around the world. FTGABF looks to achieve its objective through investment strategies that include, but are not limited to: (i) investing primarily in global fixed income securities including bonds, notes, debentures, collateralized securities, convertible securities and preferred shares issued or guaranteed by governments, agencies, international organizations and corporations with a credit rating of at least investment grade (rated BBB- or better); and (ii) potentially investing up to 10% of Fund assets in below investment grade securities, including high yield corporate, sovereign and emerging market debt.
 8. The Concentration Restriction prevents each Fund from purchasing a security of an issuer or entering into a specified derivatives transaction, if immediately after the transaction, more than 10 percent of the net assets of the Fund would be invested in securities of any issuer.
 9. The Concentration Restriction does not apply to a purchase of a "government security", which, under NI 81-102, means an evidence of indebtedness issued, or fully and unconditionally guaranteed as to principal and interest, by any of the government of Canada, the government of a jurisdiction or the government of the United States of America.
 10. The Manager believes that the Exemption Sought will be in the best interests of the Funds for the following reasons:
 - a) it will provide more flexibility and more favourable prospects for the Funds because the Funds will be better able to compose a global fixed income portfolio that will best achieve their respective investment objectives;

- b) in certain jurisdictions, the securities of supranational agencies or governments may be the only liquid or rated debts available for investment; and
- c) higher concentration limits may allow the Funds to benefit from investment efficiencies and reduced transaction costs as certain foreign government treasury offerings are more readily available for investment (because of large, regular treasury offerings that match the maturity dates the Funds seek) and trades can be completed faster in certain markets that are more readily accessible to foreign investment.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (1) each of FSIF and FTGABF may only invest up to:
 - (a) 20 percent of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by permitted supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a province or territory of Canada, or the government of the United States of America and are rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and
 - (b) 35 percent of its net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by permitted supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a province or territory of Canada, or the government of the United States of America and are rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and

- (2) TGIF may only invest up to:
- imposed and the type of securities covered by this Decision.
- (a) 20 percent of the percentage of its net assets invested in evidences of indebtedness, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by permitted supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a province or territory of Canada, or the government of the United States of America and are rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and
- "Darren McCall"
Assistant Manager, Investment Funds
Ontario Securities Commission
- (b) 35 percent of the percentage of its net assets invested in evidences of indebtedness, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by permitted supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a province or territory of Canada, or the government of the United States of America and are rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations
- (3) paragraphs (1)(a) and (1)(b), and paragraphs (2)(a) and 2(b), above, cannot be combined for any one issuer;
- (4) the securities that are purchased pursuant to this Decision are traded on a mature and liquid market;
- (5) the acquisition of the securities purchased pursuant to this Decision is consistent with the fundamental investment objective of each Fund;
- (6) the simplified prospectus of the Funds discloses the additional risks associated with the concentration of net assets of the Funds in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risks, of investing in the country in which that issuer is located; and
- (7) the simplified prospectus of the Funds discloses, in the investment strategy section, the details of the Exemption Sought along with the conditions

2.1.5 Marathon PGM Corporation

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions and Multilateral Instrument 11-102 Passport System Take-over Bid - Exemption from certain take over bid requirements in Part XX of the Securities Act - Identical consideration - Issuer needs relief from the requirement that all holders of the same class of securities must be offered identical consideration - Under the bid, Canadian resident shareholders may receive shares, cash, or a combination of both; US resident shareholders will receive substantially the same value as Canadian shareholders, in the form of cash paid to the US shareholders based on the proceeds from the sale of their shares; the number of shares held by US residents is *de minimis*.

Applicable Legislative Provisions

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

May 8, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
MARATHON PGM CORPORATION
(the Filer)**

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer 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 Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual passport application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that s. 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Nunavut, Yukon Territory and the Northwest Territories, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meanings if used in this decision, unless otherwise defined.

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, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and is not in default of any of the requirements of the applicable securities legislation of any such jurisdiction in which it is a reporting issuer;
 - 4. the authorized capital of the Filer consists of an unlimited number of common shares (the Filer's Shares), of which, as of March 18, 2008, there were 21,780,653 Filer's Shares issued and outstanding;
 - 5. the Filer's Shares are listed on the Toronto Stock Exchange (the TSX);
 - 6. on February 19, 2008, the Filer issued a press release announcing its intention to make an offer (the Offer) to acquire all of the outstanding common shares (Discovery Shares) of Discovery PGM Exploration Ltd. (Discovery);

7. Discovery is a company existing under the British Columbia Business Corporations Act;
8. Discovery's head office is located in British Columbia;
9. Discovery is a reporting issuer in British Columbia, Alberta, and Ontario and is not in default of any of the requirements of the applicable securities legislation of any such jurisdiction in which it is a reporting issuer;
10. the authorized capital of Discovery consists of an unlimited number of Discovery Shares;
11. the Discovery Shares are listed on the TSX Venture Exchange;
12. to the knowledge of the Filer, and based on geographic analysis reports delivered to the Filer by Discovery, as of February 20, 2008, there were 27,847,368 Discovery Shares outstanding, of which 2,036,655 (approximately 7.3%) were held by 41 U.S. residents and of which 526,383 (approximately 1.9%) were held by 12 persons not resident in the United States or Canada;
13. under the terms of the Offer, each holder of a Discovery Share (other than Non-Canadian Discovery Shareholders, as defined below) will receive consideration per Discovery Share of 0.0794 of a Filer Share;
14. the Filer's Shares issuable under the Offer have not been and will not be registered or otherwise qualified for distribution under the securities legislation of any jurisdiction outside of Canada, including the *United States Securities Act of 1933*, as amended (the 1933 Act) and U.S. state securities laws. Accordingly, the delivery of the Filer's Shares to holders of Discovery Shares who are either U.S. Persons (as that term is defined in Regulation S under the 1933 Act) or resident in the United States or any territory or possession thereof (U.S. Residents, and together with U.S. Persons, the Discovery US Shareholders), or to citizens or residents of any other jurisdiction outside of Canada where delivery of the Filer's Shares may not be effected without further action by the Filer (Discovery Foreign Shareholders, and together with Discovery US Shareholders, the Non-Canadian Discovery Shareholders) may constitute a violation of the laws of such jurisdictions;
15. the Filer's Shares would be required to be registered under the 1933 Act if they were to be issued and delivered to Discovery US Shareholders. However, in lieu of delivering the Filer's Shares to Non-Canadian Discovery Shareholders, the Filer intends to use a mechanism, the details and procedures of which are described in paragraph (19) below (the Vendor Placement). As a result of the Vendor Placement, the registration requirements of the 1933 Act, in addition to the applicable laws of certain U.S. states and the requirements of any other jurisdictions which may otherwise require registration or qualification of the Filer's Shares (the Other Foreign Jurisdictions), will not apply to the Filer and/or the Offer because the Filer's shares will not be delivered in the United States or the Other Foreign Jurisdictions to Non-Canadian Discovery Shareholders;
16. the Offer to the Non-Canadian Discovery Shareholders as amended by the Vendor Placement, and the sale of the Filer's Shares for the benefit of the Non-Canadian Discovery Shareholders pursuant to the Vendor Placement, will not constitute a violation of U.S. federal and state securities laws or the laws of the Other Foreign Jurisdictions;
17. the Multijurisdictional Disclosure System does not provide relief from the registration or qualification requirements of such U.S. securities laws;
18. registration under the securities laws of the U.S. or the Other Foreign Jurisdictions of the Filer's Shares deliverable to Non-Canadian Discovery Shareholders pursuant to the Offer would be extremely costly and burdensome to the Filer;
19. the Filer proposes to deliver to the depositary under the Offer (the Depositary) the Filer's Shares which Non-Canadian Discovery Shareholders would otherwise be entitled to receive under the Offer; the Depositary, through a registered broker, 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 Discovery Shares tendered by the Non-Canadian Discovery Shareholders under the Offer and, 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 Non-Canadian Discovery Shareholders that tendered their Discovery Shares under the Offer; such procedure to be modified as necessary to comply with the laws of the Other Foreign Jurisdictions;

Requirement, provided that Non-Canadian Discovery Shareholders, who would otherwise receive Filer's Shares pursuant to the Offer, instead receive cash proceeds from the sale of the Filer's Shares in accordance with the procedures set out in paragraph (19) above.

"Martin Eady, CA"
Director, Corporate Finance
British Columbia Securities Commission

20. any sale of the Filer's Shares described in paragraph (19) above will be completed as soon as possible after the date on which the Filer takes up the Discovery Shares tendered by the Non-Canadian Discovery 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 Non-Canadian Discovery Shareholders and minimize any adverse impact of the sale on the market for the Filer's Shares;
21. the takeover bid circular to be prepared by the Filer and sent to all shareholders of Discovery will disclose the Vendor Placement to be followed for Non-Canadian Discovery Shareholders who tender their Discovery Shares to the Offer;
22. there is currently a liquid market (as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*) for the Filer's Shares and the Filer has been advised by the registered broker who will sell the Filer's Shares in connection with the Vendor Placement that there would continue to be such "liquid market" for the Filer's Shares following the completion of the Offer and the sale of the Filer's Shares on behalf of Non-Canadian Discovery Shareholders as contemplated in the Offer; and
23. except to the extent that Requested Relief from the Identical Consideration Requirement is granted, the Offer will comply with the requirements under applicable securities legislation concerning take-over bids.

Decision

- 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that, in connection with the Offer, the Exemption Sought is granted so that the Filer is exempt from the Identical Consideration

2.1.6 Goodman & Company, Investment Counsel Ltd.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Coordinated Review – The relief provides an exemption, pursuant to section 233 of Regulation 1015 made under the Securities Act (Ontario) (the Regulation) from the prohibition in section 227(2)(b)(ii) of the Regulation. The prohibition prevents a registrant, when acting as a portfolio manager with discretionary authority, from providing advice with respect to a client's account to purchase and/or sell the securities of a related issuer or a connected issuer of the registrant, unless the registrant (i) secures the specific and informed written consent of the client once in each twelve month period and (ii) provides the client with its statement of policies.

Statutes Cited

Regulation 1015 made under the Securities Act (Ontario), ss. 227(2)(b)(ii), 233.

August 18, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, NOVA SCOTIA and NEW BRUNSWICK
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
GOODMAN & COMPANY,
INVESTMENT COUNSEL LTD.
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) 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 that a registrant acting as an adviser and exercising discretionary authority with respect to the investment portfolio or account of a client (in each case, a **Client**) not purchase or sell securities of a related issuer or, in the course of an initial distribution or a distribution (depending on the Jurisdiction) securities of a connected issuer, to invest in securities of funds managed, or to be managed, by the Filer or an associate or affiliate of the Filer, unless once in each twelve month period it provides the Client with a copy of its statement of policies and secures the specific and informed written consent of

the client to the exercise of the discretionary authority in respect of the securities (the **Exemptive Relief Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation formed under the laws of the Province of Ontario. The Filer is registered as an adviser in each of the Jurisdictions and has its head office and carries on business in Ontario. To the best of its knowledge, the Filer is not in default of securities legislation in any jurisdiction.
2. Goodman Private Wealth Management (**GPWM**), the investment counsel division of the Filer, offers investment management services to institutional and high net worth Clients.
3. Clients whose investments are managed by GPWM will enter into an investment management agreement with GPWM that authorizes GPWM to manage their investments by investing in the funds listed in Schedule A hereto (the **Funds**) (the **Investment Management Agreement**).
4. Each Client of GPWM will receive a statement of policies of the Filer which specifically identifies the relationship between the Filer, GPWM and the Funds.
5. Pursuant to the Investment Management Agreement, each Client of GPWM will consent to investing in the Funds, each of which are managed by the Filer. Each Client of GPWM will specifically consent to GPWM exercising its discretion under the Investment Management Agreement to buy and sell securities of the Funds.
6. The Funds are "investment funds" or "mutual funds" as defined in the *Securities Act* (Ontario) and are created under the laws of the Province of Ontario. The Funds are distributed to residents of the Jurisdictions under a simplified prospectus, a long-form prospectus or with an offering memorandum.

7. The Funds may be considered as connected and/or related issuers of GCICL within the meaning of the Legislation.

8. All Clients of GPWM will receive a statement of policies when they enter into an Investment Management Agreement with GPWM, which includes a conflicts statement listing the related and connected issuers of GCICL, including the Funds. In the event of a significant change in the statement of policies, GPWM will provide to each of its Clients a copy of the revised version of, or amendment to, such statement of policies.

Decision

Each of the Decision makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

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

1. GPWM will secure the specific and informed consent of its Clients in advance of the exercise of discretionary authority in respect of the Funds; and
2. GPWM has previously provided its Clients with a statement of policies of the Filer which identifies the relationship between the Filer, GPWM and the Funds and, in the event of a significant change in the statement of policies, will provide to each of its Clients a copy of the revised version of, or amendment to, such statement of policies.

"Kevin J. Kelly"
Commissioner
Ontario Securities Commission

"Carol S. Perry"
Commissioner
Ontario Securities Commission

Schedule A

Funds

Goodman Private Wealth Management Balanced Pool
Dynamic Focus+ Balanced Fund
Dynamic Focus+ Diversified Income Fund
Dynamic Focus+ Energy Income Trust Fund
Dynamic Focus+ Equity Fund
Dynamic Focus+ Real Estate Fund
Dynamic Focus+ Resource Fund
Dynamic Focus+ Small Business Fund
Dynamic Focus+ Wealth Management Fund
Dynamic Advantage Bond Fund
Dynamic Canadian Bond Fund
Dynamic Dividend Fund
Dynamic Dividend Income Fund
Dynamic Dollar-Cost Averaging Fund
Dynamic High Yield Bond Fund
Dynamic Real Return Bond Fund
Dynamic Power American Currency Neutral Fund
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Fund
Dynamic Power Small Cap Fund
Dynamic Diversified Real Asset Fund
Dynamic Global Infrastructure Fund
Dynamic Precious Metals Fund
Dynamic Strategic All Income Portfolio
Dynamic Strategic Growth Portfolio
Dynamic American Value Fund
Dynamic Canadian Dividend Fund
Dynamic Dividend Value Fund
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Global Discovery Fund
Dynamic Global Dividend Value Fund
Dynamic Global Value Balanced Fund
Dynamic Global Value Fund
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada
Dynamic Advantage Bond Class
Dynamic Canadian Dividend Class
Dynamic Canadian Value Class
Dynamic Dividend Income Class
Dynamic EAFE Value Class
Dynamic Global Discovery Class
Dynamic Global Dividend Value Class
Dynamic Global Energy Class
Dynamic Global Value Class
Dynamic Money Market Class
Dynamic Power American Growth Class
Dynamic Power Canadian Growth Class
Dynamic Power Global Growth Class
DMP Canadian Dividend Class
DMP Canadian Value Class
DMP Global Value Class
DMP Power Canadian Growth Class
DMP Power Global Growth Class
DMP Resource Class
DMP Value Balanced Class
Dynamic Value Balanced Class
DynamicEdge Balanced Portfolio

DynamicEdge Balanced Growth Portfolio
DynamicEdge Growth Portfolio
DynamicEdge Equity Portfolio
DynamicEdge Balanced Class Portfolio
DynamicEdge Balanced Growth Class Portfolio
DynamicEdge Growth Class Portfolio
DynamicEdge Equity Class Portfolio
Radiant All Equity Portfolio
Radiant Balanced Portfolio
Radiant Bond Portfolio
Radiant Conservative Portfolio
Radiant Defensive Portfolio
Radiant Growth Portfolio
Radiant High Growth Portfolio
Radiant All Income Portfolio
Marquis Canadian Bond Pool
Marquis Canadian Equity Pool
Marquis High Yield U.S. Bond Pool
Marquis International Equity Pool
Marquis U.S. Equity Pool
Marquis Diversified All Equity Portfolio
Marquis Diversified All Income Portfolio
Marquis Diversified Balanced Portfolio
Marquis Diversified Conservative Portfolio
Marquis Diversified Defensive Portfolio
Marquis Diversified Growth Portfolio
Marquis Diversified High Growth Portfolio
Marquis Enhanced Canadian Equity Pool
Marquis Global Equity Pool
Marquis MultiPartners High Growth Portfolio
Marquis MultiPartners Growth Portfolio
Marquis MultiPartner Equity Portfolio
Dynamic Alpha Performance Fund
Dynamic Contrarian Fund
Dynamic Focus+ Alternative Fund
Dynamic Income Opportunities Fund
Dynamic Power Emerging Markets Fund
Dynamic Power Hedge Fund
Dynamic Quantitative Hedge Fund
Dynamic Strategic Value Fund
CDR 2007 Private Flow-Through Limited Partnership
Dynamic Alternative Opportunities Fund
diversiGlobal Dividend Value Fund
diversiTrust Energy Income Fund
diversiTrust Income Fund
diversiTrust Income+ Fund
diversiTrust Stable Income Fund
diversiYield Income Fund
DPF India Opportunities Fund
CMP Gold Trust
Canada Dominion Resources 2008 Limited Partnership
Canada Dominion Resources 2007 Limited Partnership
CMP 2008 Resource Limited Partnership
CMP 2007 Resource Limited Partnership

and any future funds managed by Goodman & Company,
Investment Counsel, Ltd.

2.1.7 Sentry Select Capital Corp. and Sentry Select Focused 50 Income Fund

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund merger – approval required because merger does not meet the criteria for pre-approval – differences in investment objectives and fee structure – due to inadvertence, Filer omitted to send the current simplified prospectus and most recent annual and interim financial statements to unitholders.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(1)(b).

August 15, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
SENTRY SELECT CAPITAL CORP.
(the Filer)**

AND

**SENTRY SELECT FOCUSED 50 INCOME FUND
(the Terminating Fund)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval of the merger (the **Merger**) of the Terminating Fund into Sentry Select Canadian Income Fund (the **Continuing Fund**) under subsection 5.5(1)(b) of National Instrument 81-102 Mutual Funds (**NI 81-102**) (the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator (**Principal Regulator**) for this application, and

- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

The Filer

1. The Filer is a corporation governed by the laws of Canada and is the manager of each of the Terminating Fund and the Continuing Fund (each a **Fund** and collectively, the **Funds**). The Filer is registered as a dealer in the category of Mutual Fund Dealer and as an adviser in the category of Investment Counsel and Portfolio Manager under the *Securities Act* (Ontario), and as an adviser in the category of Commodity Trading Manager under the *Commodities Futures Act*, R.S.O. 1990. The Filer is also registered as an advisor in the category of Portfolio Manager and Investment Counsel under the *Securities Act* (Alberta).
2. The head office of the Filer is located in Ontario.

The Funds

3. Each of the Funds is an open-end mutual fund trust governed by an Amended and Restated Master Declaration of Trust dated May 1, 2007.
4. Units of the Funds are currently offered for sale under a simplified prospectus and annual information form dated August 10, 2007 in all provinces and territories of Canada. A simplified prospectus and annual information form will be filed in August 2008 to provide for the continued distribution of units of the Continuing Fund.
5. In the event that the Merger is not approved and implemented, the Filer proposes to terminate the Terminating Fund. Sales of units of the Terminating Fund were suspended on June 23, 2008 and units of the Terminating Fund will not be renewed for distribution following expiry of the lapse date on August 10, 2008.
6. The Funds are reporting issuers under the applicable securities legislation of each province and territory of Canada and are not on the list of

defaulting reporting issuers maintained under such securities legislation.

7. Unless an exemption has been obtained, each of the Funds follows the standard investment restrictions and practices established by the securities regulatory authorities in each province and territory of Canada.
8. The net asset value (**NAV**) for units of each Fund is calculated on a daily basis on each day that the Toronto Stock Exchange is open for trading.

Merger

9. The Filer proposes to merge the Terminating Fund into the Continuing Fund. Press releases, material change reports and an amendment to the simplified prospectus and annual information form of the Terminating Fund were filed on SEDAR in June 2008 in connection with the Merger.
10. A management information circular in connection with the Merger was filed on SEDAR and mailed to unitholders of the Terminating Fund on July 11, 2008 (the **Circular**).
11. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, an independent review committee (the **IRC**) has been appointed for the Funds. The Filer presented the terms of the Merger to the IRC for a recommendation. The IRC reviewed the proposed Merger and recommended that it be put to unitholders of the Funds for their consideration on the basis that the Merger would achieve a fair and reasonable result for the Funds.
12. Unitholders of the Terminating Fund were asked to approve the Merger at a special meeting of unitholders held on August 11, 2008. The unitholders voted unanimously to approve the Merger.
13. The proposed Merger will be structured substantially as follows:
 - (a) The Terminating Fund will transfer all of its assets to the Continuing Fund in exchange for units of the Continuing Fund. The units of the Continuing Fund received by the Terminating Fund will have an aggregate NAV equal to the NAV of the assets of the Terminating Fund and will be issued at the NAV per unit of each series of the Continuing Fund, in each case as of the close of business on the business day prior to the date of the Merger.
 - (b) Immediately thereafter, the units of the Continuing Fund received by the Terminating Fund will be distributed to

- unitholders of the Terminating Fund. Each unitholder will receive units of the Continuing Fund of the same series and having the same aggregate NAV as the units they previously held in the Terminating Fund as of the close of business on the business day prior to the Merger Date.
14. Following the Merger, the Continuing Fund will continue as a publicly offered open-end mutual fund and the Terminating Fund will be wound up as soon as reasonably practicable.
 15. The Filer will pay all costs and expenses relating to the solicitation of proxies and the holding of the unitholder meeting in connection with the Merger as well as the costs of implementing the Merger. Neither the Terminating Fund nor the Continuing Fund will bear any of the costs and expenses of the Merger.
 16. Subject to the required approval of the Principal Regulator, the Merger is expected to occur on or about August 20, 2008.
 17. Unitholders of the Terminating Fund will continue to have the right to redeem units of the Terminating Fund for cash at any time up to the close of business on the business day immediately preceding the effective date of the Merger.
 18. Approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102 because:
 - (a) the fundamental investment objective of the Terminating Fund is not substantially similar to the fundamental investment objective of the Continuing Fund,
 - (b) the Funds do not have the same fee structure, and
 - (c) the meeting materials sent to unitholders did not include the current simplified prospectus and the most recent annual and interim financial statements of the Continuing Fund.
 19. Due to inadvertence, the Filer omitted to include the current simplified prospectus and the most recent annual and interim financial statements of the Continuing Fund with the meeting materials sent to unitholders as required under section 5.7(1)(b)(iv) of NI 81-102. The Filer did not make the Principal Regulator aware of this until after it mailed the Circular.
 20. The primary differences between the fundamental investment objective of the Terminating Fund and the Continuing Fund are that while the Terminating Fund is limited to investing in income funds (which consist of trusts, limited partnerships or other similar entities), the Continuing Fund invests in equities, fixed-income instruments, real estate investment trusts and income trusts. While both the Terminating Fund and the Continuing Fund seek to provide consistent monthly distributions, the Continuing Fund also seeks to provide capital appreciation.
 21. The fee structure for the Funds are different because the operating expenses of the Terminating Fund are paid for by the Filer, while the Continuing Fund is responsible for paying all of its own operating expenses. In addition, the management fee for the Series A units of the Terminating Fund is 1.75% and for the Series A units of the Continuing Fund it is 2.25%.
 22. The tax implications of the Merger as well as the differences between the Terminating Fund and the Continuing Fund are described in the Circular so that unitholders of the Terminating Fund could consider this information before voting on the Merger.
 23. The Filer believes that the Merger will be beneficial to unitholders of the Terminating Fund and the Continuing Fund for the following reasons:
 - (a) The potential for portfolio diversification will improve through the management of a larger Continuing Fund.
 - (b) The investment objectives of the Terminating Fund limit the Fund to investing only in income funds.
 - (c) The Filer proposes terminating the Terminating Fund in the event that the proposed merger is not approved and implemented. The proposed Merger will be implemented on a tax-deferred basis which will not result in the realization of a capital gain or capital loss to Unitholders of the Terminating Fund or to the Terminating Fund itself. In the event that the Merger is not approved and implemented and the Terminating Fund is otherwise terminated, such termination will result in the realization of a capital gain or capital loss to Unitholders on their Units and a net capital gain to the Terminating Fund, which would be distributed to Unitholders and be taxable in their hands.
 - (d) By merging the Terminating Fund, instead of terminating the Terminating Fund, there will be no costs incurred by the Terminating Fund for brokerage charges associated with the liquidation of

the Terminating Fund's portfolio on a wind-up. All costs related to the implementation of the Merger will be borne by the Filer.

24. The meeting materials sent to unitholders of the Terminating Fund did not include the most recent simplified prospectus and annual and interim financial statements that have been made public for the Continuing Fund. Adequate information concerning the Continuing Fund to permit unitholders to make an informed decision about the Merger was provided to unitholders in the Circular, in earlier simplified prospectuses sent to unitholders of the Terminating Fund, and in the financial statements sent to those unitholders who requested them. The Circular further disclosed that unitholders could obtain the most recent interim and annual financial statements, simplified prospectus, annual information form, and additional information relating to the Continuing Fund by accessing the SEDAR website at www.sedar.com, by calling the Filer's toll-free telephone number, or by submitting (by fax or mail) a request to the Filer

Decision

The Principal Regulator is satisfied that the decision meets the test set out in the Legislation for the Principal Regulator to make the decision.

The decision of the Principal Regulator under the Legislation is that the Requested Relief is granted.

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

2.1.8 H&R Real Estate Investment Trust and H&R Finance Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications -

Securities Act (Ontario), ss. 1(11)(b) – application related to i) reorganization of reporting issuer trust and ii) establishment of a new finance trust – units of both trust and new finance trust will be “stapled units” trading together on the TSX – new finance trust requesting to be deemed a reporting issuer by virtue of its units being stapled to units of another trust and units of each trading together as stapled units on the TSX – relief granted.

Securities Act (Ontario), s. 74(1) – new finance trust wants relief from the prospectus and dealer registration requirements in respect of certain trades and/or distributions and possible trades and/or distributions in its securities – relief required in connection with proposed reorganization – relief granted but conditional upon each unit of new finance trust being stapled to a unit of the trust and to trade as a stapled unit – the first trade of any security acquired as a result of any such trade shall be deemed to be a distribution under the legislation of the jurisdiction where the trade takes place unless the conditions in section 2.6(3) of National Instrument 45-102 Resale of Securities are satisfied – relief will terminate if units of new finance trust are not stapled to units of trust and *vice versa*.

NI 51-102 Continuous Disclosure Obligations, s. 13.1 – new finance trust wants relief from Parts 6 and 7 of the requirements in NI 51-102 – together with and supplemental to the financial statements and the management's discussion and analysis that each of the trust and new finance trust is required to file on SEDAR pursuant to part 5 of NI 51-102, each will file on SEDAR as an “other document” supplemental income statements and balance sheets of the trust and new finance trust prepared on a combined basis, together with management's discussion and analysis of the combined financial statements – relief conditional on, among other things: (i) each new finance trust unit is stapled to a unit of the reporting issuer trust and trades as a stapled unit; (ii) new finance trust files a notice under its SEDAR profile indicating that it is relying on the continuous disclosure documents filed by reporting issuer trust and directing readers to refer to the reporting issuer trust's SEDAR profile; and (iii) the new finance trust issues a press release and files a report upon the occurrence of a material change in respect of the affairs of new finance trust that is not also a material change in the affairs of the reporting issuer trust.

NI 52-110 Audit Committees, s. 8.1 – new finance trust wants relief from reporting obligations - exemption granted subject to conditions including that new finance trust disclose the audit committee requirements described in Form 52-110F1 in a stand-alone document filed on SEDAR and that the reporting issuer trust satisfies and continues to satisfy the audit committee requirements.

NI 44-101 Short Form Prospectus Distributions, s. 8.1 – new finance trust wants relief from basic qualification criteria - exemption granted to new finance trust from the annual information form eligibility requirement – relief conditional upon new finance trust being exempt from or otherwise not subject to filing annual information form and each stapled unit is listed and posted for trading on a short form eligible exchange – units of trust and new finance trust not “posted” for trading on TSX - since units of each entity are “stapled units” trading on TSX, they do not meet the eligibility criteria – relief also granted to reporting issuer trust since it will not meet the “posted” for trading requirement.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(11)(b), 74(1).

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

National Instrument 52-110 Audit Committees, s. 8.1.

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.

August 8, 2008

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

AND

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

AND

IN THE MATTER OF
H&R REAL ESTATE INVESTMENT TRUST
on its own behalf and on behalf of H&R FINANCE
TRUST

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**” and, collectively, the “**Decision Makers**”) in each of the Jurisdictions has received an application (the “**Application**”) from H&R Real Estate Investment Trust (the “**Trust**”) and H&R Finance Trust (“**H&R Finance**”) (the Trust and H&R Finance each a “**Filer**” and, collectively, the “**Filers**”), the new trust that will

result from the reorganization of the Trust (the “**Reorganization**”) by way of a plan of arrangement under the *Business Corporations Act* (Alberta), for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that:

- H&R Finance be a reporting issuer (a “**Reporting Issuer**”) except in Quebec, the Northwest Territories and Nunavut, where such relief is not applicable;
- H&R Finance be exempted from the requirements contained in Parts 6 and 7 of NI 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”) except in the Northwest Territories, where NI 51-102 has been adopted as a policy only (collectively, the “**Specified Continuous Disclosure Requirements**”);
- pursuant to section 8.1 of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), H&R Finance be exempted from the requirements set out in Part 5 of NI 52-110 (the “**Audit Committee Requirements**”);
- H&R Finance be exempted from the dealer registration and prospectus requirements in respect of a (i) trade of a unit of H&R Finance to an employee, executive officer, trustee or consultant of the Trust (“**Trust Employees**”), and (ii) a trade of a unit of H&R Finance to unitholders of H&R Finance in connection with the exercise of rights issued pursuant to the Unitholder Rights Plan of the Trust, except in Quebec (the “**Dealer Registration and Prospectus Requirements**”);
- H&R Finance be exempted from the requirements contained in subparagraphs (d)(ii) and (e) of section 2.2 of NI 44-101 *Short Form Prospectus Distributions* (“**NI 44-101**”) (“**Specified Basic Qualification Criteria**”); and
- the Trust be exempted from the requirement to have its units listed and posted for trading on a short form eligible exchange, as contained in subparagraph (e) of section 2.2 of NI 44-101 (“**Criteria Relating to Listing and Posting for Trading**”),

in each case provided that certain conditions are satisfied.

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 Filers:

1. The Trust is a reporting issuer in all provinces of Canada and the units of the Trust are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**"). There are approximately 143.8 million units of the Trust outstanding, and using a unit price of \$18, the market capitalization of the Trust is approximately \$2.6 billion.
2. The Trust holds 100% of the outstanding shares of H&R REIT (U.S.) Holdings Inc. ("**H&R US**"). Legal title to each of the Trust's properties located in the United States is held by a separate legal entity which is 100% owned, directly or indirectly, by H&R US. For the twelve months ended December 31, 2007, H&R US indirectly held income properties with an aggregate net book value of approximately \$1.12 billion, and had net property operating income of approximately \$7.9 million.
3. From time to time, the Trust has made advances to H&R US, which advances are evidenced by notes which bear interest at a rate of 12%. As at December 31, 2007, the principal amount of such notes owed to the Trust was approximately US\$174 million.
4. It is proposed that the Trust, among other things, will establish H&R Finance and will subscribe for that number of H&R Finance units as is equal to the number of Trust units then issued and outstanding for an aggregate cash subscription price of approximately US\$127.5 million (the "**Subscription Proceeds**").
5. The Trust will make a distribution to its unitholders of one H&R Finance unit per Trust unit. Consequently, each unitholder of the Trust would become a unitholder of H&R Finance and will hold the same number of units of the Trust and H&R Finance.
6. It is proposed that at the conclusion of the Reorganization each unit of the Trust would be stapled to a unit of H&R Finance (a "**Stapled Unit**"), and that the two securities will trade together as a Stapled Unit on the TSX.
7. The Trust will transfer a portion of the notes referred to in paragraph 3 above (the "**Existing Loans**") to H&R Finance in consideration for cash of approximately US\$125 million, being the

outstanding principal of the Existing Loans. The Existing Loans will then be consolidated and refinanced under a new note indenture (the "**Subordinated Debt**"). It is intended that the material terms of the Subordinated Debt (including the interest rate) will be consistent with market terms. There will be no guarantee of the Subordinated Debt by the Trust. The expected remaining balance of the Subscription Proceeds is expected to be used to reimburse the Trust for the payment of expenses incurred in the course of establishing H&R Finance and issuing units of H&R Finance.

8. The units of the Trust and the units of H&R Finance will only become "uncoupled": (a) in the event that unitholders of the Trust vote in favour of the uncoupling of Trust units and H&R Finance units such that the two securities will trade separately, or (b) at the sole discretion of the trustees of H&R Finance, but only in the event of the bankruptcy, insolvency, winding-up or reorganization (under an applicable law relating to insolvency) of the Trust or H&R US or the taking of corporate action by the Trust or H&R US in furtherance of any such action or the admitting in writing by the Trust or H&R US of its inability to pay its debts as they become due.
9. Since H&R Finance will have a legally enforceable claim to current interest payments on the Subordinated Debt and, ultimately, to repayment of the principal amount at maturity, management of the Trust believes that the combined value of the stapled securities will likely be enhanced (that is, the value of units of H&R Finance is expected to exceed the corresponding decline in the value of the Trust's equity), which will permit the Trust to raise capital in the future more easily. The resulting structure is also expected to be more tax-efficient. H&R Finance will be structured for United States tax purposes with the objective that United States withholding taxes and certain limitations on the deductibility of interest in the United States would not apply to the interest paid by H&R US to H&R Finance.
10. It is proposed that H&R Finance will be established as an open-ended trust pursuant to a declaration of trust governed by the laws of Ontario.
11. H&R Finance will have four trustees, one of whom will be appointed by the Trust, and three of whom will be elected by unitholders and be independent of management of H&R Finance and the Trust. It is expected that H&R Finance will share common management with the Trust.

12. Under the H&R Finance declaration of trust, the undertaking of H&R Finance will be restricted to:
 - a) engaging in the Reorganization and investing in the Subordinated Debt;
 - b) temporarily holding cash in short-term interest bearing accounts, short-term government debt or short-term investment grade corporate debt, in a manner that permits H&R Finance to continue to qualify as a "fixed investment trust" under the Internal Revenue Code of 1986, as amended, and the applicable United States Treasury Regulations, for the purposes of paying the expenses of H&R Finance, paying amounts payable by H&R Finance in connection with the redemption of any H&R Finance units, and making distributions to H&R Finance unitholders;
 - c) repurchasing and redeeming H&R Finance units;
 - d) issuing additional H&R Finance units for cash; and
 - e) undertaking such other usual and customary actions necessary for the conduct of the activities of H&R Finance in the ordinary course, as shall be approved by its trustees from time to time.
13. If the Trust wishes to raise capital post-Reorganization, by the terms of the declaration of trust creating H&R Finance and a support agreement to be entered into between the Trust and H&R Finance (the "**Support Agreement**"), the trustees of H&R Finance will be required to issue the same number of units of H&R Finance as the number of units of the Trust to be issued in connection with the financing.
14. The net proceeds of any offering of Stapled Units will be allocated first to units of H&R Finance for a subscription price equal to the fair market value of such units on the effective date of issuance of such units (as determined by H&R Finance in consultation with the Trust), with the remainder of the net proceeds of the offering allocated to the subscription for units of the Trust.
15. Given that it is proposed that post-Reorganization each unit of the Trust would be stapled to a unit of H&R Finance, the Reorganization will necessitate amendments to the Trust's 2007 amended and restated declaration of trust (the "**Declaration of Trust**"). In particular, and without limiting the generality of the foregoing, amendments to the Declaration of Trust will be necessary to address the form of Trust unit certificate, the transfer of Trust units, take-over bids for Trust units and the right of redemption of the Trust's unitholders.
16. Consequential amendments would also be required in connection with the Trust's Unit Option Plan, Distribution Reinvestment Plan and Unitholder Rights Plan to contemplate Stapled Units. On a going forward basis, provided the securities remain stapled, a unit of the Trust will only be issued, transferred or redeemed together with a unit of H&R Finance, except for distributions of units of the Trust which are immediately followed by a consolidation of outstanding units of the Trust such that an equal number of units of H&R Finance and units of the Trust are outstanding immediately following such consolidation.
17. Given that each unit of the Trust must be stapled to a unit of H&R Finance, upon exercise by a Trust Employee of an option to acquire Stapled Units, units of both the Trust and H&R Finance must be issued. Each Trust Employee will, upon such an exercise, simultaneously be issued a unit of the Trust by the Trust and a unit of H&R Finance by H&R Finance, which units will upon issuance be stapled together as a Stapled Unit. The exercise price for the Stapled Unit will be paid entirely to the Trust, and the Trust will, pursuant to the Support Agreement, pay H&R Finance an amount equal to the fair market value of the units of H&R Finance so issued.
18. The Unitholder Rights Plan will provide that, upon separation of the rights pursuant to such plan, unitholders (other than certain designated unitholders) will be entitled to acquire additional Stapled Units for a subscription price equal to 50% of the current trading price of the Stapled Units. Pursuant to a support agreement to be entered into between the Trust and H&R Finance, upon separation of such rights the Trust will have the right to require H&R Finance to issue H&R Finance Units to unitholders exercising such rights in consideration for payment by the Trust to H&R Finance of an amount equal to the fair market value of such H&R Finance units at such time.
19. Together with and supplemental to the financial statements and the management's discussion and analysis that each of the Trust and H&R Finance is required to file on SEDAR pursuant to Part 5 of NI 51-102, each of the Trust and H&R Finance will file on SEDAR as an "other document" supplemental income statements and balance sheets of the Trust and H&R Finance prepared on a combined basis ("**Combined Financial Statements**"), together with management's discussion and analysis of the Combined Financial Statements.
20. In the event the Trust chooses to proceed with the proposed Reorganization, disclosure of the

proposed Reorganization and issuance and distribution of units of H&R Finance will be made in the proxy circular for the special meeting of the Trust's unitholders, which is expected to be held on or about September 19, 2008.

21. The Trust will only proceed with the proposed Reorganization provided that it receives the affirmative vote of at least two-thirds of the votes of unitholders of the Trust.
22. The Trust is not in default of any of the requirements contained in the Legislation.

THE 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.

1. The decision of the Decision Makers under the Legislation is that:
 - a. the Specified Continuous Disclosure Requirements shall not apply to H&R Finance, provided that and for so long as:
 - (i) each H&R Finance unit is stapled to a unit of the Trust and trades as a Stapled Unit;
 - (ii) the Trust is a reporting issuer in a designated Canadian jurisdiction (as defined in section 13.4 of NI 51-102) and is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR) that has filed all documents it is required to file under NI 51-102 and complies with NI 51-102;
 - (iii) H&R Finance does not issue any units that are not stapled to units of the Trust, except for distributions of units of H&R Finance which are immediately followed by a consolidation of outstanding units of H&R Finance such that an equal number of units of H&R Finance and units of the Trust are outstanding immediately following such consolidation;
 - (iv) H&R Finance files a notice under its SEDAR profile indicating that it is relying on the annual information form and material change reports filed by

the Trust and directing readers to refer to the Trust's SEDAR profile;

- (v) the Trust complies with the requirements of the Legislation and the TSX in respect of making disclosure of material information on a timely basis and immediately issues and files a news release that discloses any material changes in its affairs;
 - (vi) H&R Finance continues to have minimal or no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Stapled Units and investment in indebtedness issued by H&R US; and
 - (vii) H&R Finance complies with the requirements of the Legislation to issue a press release and file a report with the Jurisdictions upon the occurrence of a material change in respect of the affairs of H&R Finance that is not also a material change in the affairs of the Trust.
- b. The Audit Committee Requirements shall not apply to H&R Finance so long as H&R Finance is exempt from or otherwise not subject to the Specified Continuous Disclosure Requirements and provided that:
 - (i) each H&R Finance unit is stapled to a unit of the Trust and trades as a Stapled Unit;
 - (ii) H&R Finance discloses the audit committee information described in Form 52-110F1 in a stand-alone document filed in electronic format under its SEDAR profile;
 - (iii) H&R Finance includes a cross-reference to the stand-alone document described in b(ii) above in each management information circular in which, pursuant to section 5.2 of NI 52-110, H&R Finance would otherwise be required to provide a cross-reference to certain information as described in section 5.1 of NI 52-110; and

- (iv) the Trust satisfies and continues to satisfy the requirements set out in NI 52-110. and units of the Trust are outstanding immediately following such consolidation.
- c. The Specified Basic Qualification Criteria shall not apply to H&R Finance provided that H&R Finance is exempt from or otherwise not subject to the Specified Continuous Disclosure Requirements and provided that;
- (i) H&R Finance satisfies the criteria in section 2.2 of NI 44-101 except for the requirements in subsections 2.2(d)(ii) and 2.2(e) and other than the Criteria Relating to Listing and Posting for Trading;
- (ii) H&R Finance does not issue any units that are not stapled to units of the Trust, except for distributions of units of H&R Finance which are immediately followed by a consolidation of outstanding units of H&R Finance such that an equal number of units of H&R Finance and units of the Trust are outstanding immediately following such consolidation;
- (iii) each H&R Finance unit is stapled to a unit of the Trust and trades as a Stapled Unit; and
- (iv) each Stapled Unit is listed and posted for trading on a short form eligible exchange (as defined in NI 44-101).
- d. The Criteria Relating to Listing and Posting for Trading shall not apply to the Trust provided that:
- (i) each Stapled Unit is listed and posted for trading on a short form eligible exchange (as defined in NI 44-101);
- (ii) each H&R Finance unit is stapled to a unit of the Trust and trades as a Stapled Unit; and
- (iii) H&R Finance does not issue any units that are not stapled to units of the Trust, except for distributions of units of H&R Finance which are immediately followed by a consolidation of outstanding units of H&R Finance such that an equal number of units of H&R Finance
- DATED: August 8, 2008.
- "Jo-Anne Matear"
Assistant Manager, Corporate Finance
- e. The decision of the Decision Makers other than the Decision Makers in the Quebec, Northwest Territories and Nunavut, under the Legislation is that H&R Finance is designated as a Reporting Issuer in each of the Jurisdictions.
- f. The further decision of the Decision Makers under the Legislation is that the Dealer Registration and Prospectus Requirements in respect of (i) trades of units of H&R Finance to Trust Employees and (ii) trades of units of H&R Finance to unitholders of H&R Finance in connection with the exercise of rights pursuant to the Unitholder Rights Plan of the Trust shall not apply to trades of securities of H&R Finance, except in Quebec, provided that the first trade of any security acquired as a result of this exemption shall be deemed to be a distribution under the Legislation of the Jurisdiction where the trade takes place unless the conditions in section 2.6(3) of National Instrument 45-102 Resale of Securities as they would apply to the Trust are satisfied.
- g. The Dealer Registration and Prospectus Requirements relief terminates immediately if H&R Finance issues units of H&R Finance that will not be stapled to units of the Trust or if previously issued Stapled Units cease to be stapled.
- DATED: August 8, 2008.
- "Carol S. Perry"
Commissioner
Ontario Securities Commission
- "Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 New Life Capital Corp. et al. - ss. 127, 144

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

AND

**IN THE MATTER OF
NEW LIFE CAPITAL CORP.,
NEW LIFE CAPITAL INVESTMENTS INC.,
NEW LIFE CAPITAL ADVANTAGE INC.,
NEW LIFE CAPITAL STRATEGIES INC.,
1660690 ONTARIO LTD., L. JEFFREY POGACHAR,
PAOLA LOMBARDI AND ALAN S. PRICE**

**VARIATION OF TEMPORARY ORDER
Section 127, 144**

WHEREAS the Ontario Securities Commission issued a temporary cease trade order on August 6, 2008 in respect of all of the respondents (the "Temporary Order");

AND WHEREAS the individual respondents, Pogachar, Lombardi and Price have requested an exception to the Commission's August 6, 2008 Order to permit them to acquire or sell any fixed income security, any mutual fund or any security listed on any stock exchange in their own personal accounts;

AND WHEREAS the requested trading in the individual respondents' personal accounts does not concern New Life or any of its activities;

AND WHEREAS a hearing in this matter has been scheduled for August 21, 2008;

AND WHEREAS in the Commission's opinion this Order will not be prejudicial to the public interest;

AND WHEREAS by Commission Order dated April 1, 2008 pursuant to section 3.5(3) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act"), any one of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Paul K. Bates or David L. Knight, acting alone, is authorized to make orders pursuant to section 127 of the Act;

IT IS ORDERED pursuant to sections 127 and 144 of the Act that the Temporary Order is varied as follows:

- (i) Pogachar, Lombardi and Price may each hold one account to trade securities;
- (ii) each account must be held with a registered dealer to whom this Order and any preceding Orders in this matter must be given at the time of opening the account or before any trading occurs in the account;

- (iii) the only securities that may be traded in each account are: (a) those listed and posted for trading on the TSX, TSX Venture Exchange, Bourse de Montreal or New York Stock Exchange; (b) those issued by a mutual fund which is a reporting issuer; or (c) a fixed income security.

IT IS FURTHER ORDERED pursuant to section 127 of the Act that the Temporary Order is continued in its terms, apart from the variation set out above, until the hearing of this matter scheduled for August 21, 2008.

DATED at Toronto this 15th day of August, 2008.

"David Wilson"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 John Daubney and Cheryl Littler - 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 DAUBNEY AND CHERYL LITTLER**

**REASONS AND DECISION:
SANCTIONS AND COSTS
(Section 127 and 127.1 of the Securities Act)**

Hearing: Written hearing by submissions completed July 18, 2008.

Decision: August 14, 2008

Panel: Carol S. Perry - Commissioner
Margot C. Howard - Commissioner

Counsel: Alexandra Clark - For the Ontario Securities Commission

Agent: James C. Morton - For John Daubney

REASONS AND DECISION

A. OVERVIEW

[1] This was a bifurcated 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 with respect to sanctions and costs against John Daubney ("Daubney").

[2] On July 14, 2006, Staff of the Commission ("Staff") filed a Statement of Allegations and Notice of Hearing with respect to Daubney and Cheryl Littler ("Littler"). Staff alleged that Daubney and Littler indiscriminately recommended an aggressive and risky investment strategy to their clients, without taking proper account of their clients' risk tolerance, investment objectives, investment knowledge, age, income or net worth, and thereby provided investment advice that was unsuitable for their clients, contrary to their obligations under section 1.5(1)(b) of OSC Rule 31-505 – *Conditions of Registration* (1999), 22 O.S.C.B. 731, amended (2003), 26 O.S.C.B. 7170 ("OSC Rule 31-505"). Staff also alleged that Daubney and Littler failed to deal with their clients fairly, honestly and in good faith, contrary to section 2.1(2) of OSC Rule 31-505. Further, Staff alleged that Daubney and Littler made misleading and inaccurate undertakings about the investment returns that their clients should expect from following their advice, in contravention of section 38(2) of the Act.

[3] Staff and Littler entered into a settlement agreement on October 3, 2007, which was approved by the Commission on October 4, 2007, leaving Daubney as the only remaining respondent in this proceeding.

[4] The hearing on the merits was held on October 9, 10, 11, 12, 15 and 17, 2007, and closing written submissions were completed on November 23, 2007. A decision on the merits was rendered on April 30, 2008.

[5] Following the release of the decision on the merits, counsel for Staff and the agent for Daubney agreed that the hearing on sanctions and costs should be held in writing pursuant to section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and Rule 5 of the Commission's *Rules of Practice*.

[6] On May 28, 2008, Staff filed joint sanctions submissions in which Staff and Daubney (the “Parties”) requested an order:

- terminating Daubney’s registration (which was suspended in January 2003);
- permanently prohibiting him from becoming or acting as an officer or director of a registrant; and
- reprimanding him.

[7] Daubney filed a response on June 3, 2008 confirming that Staff’s submissions were joint submissions and adding brief additional submissions regarding his health and financial status.

[8] Upon reviewing these submissions, the Commission invited submissions in writing with respect to whether costs and additional sanctions should be considered. The Parties’ written responses were received on June 30, 2008 (Daubney) and July 11, 2008 (Staff).

[9] For the following reasons, we find that it is in the public interest to order sanctions in accordance with the joint submissions of the Parties.

B. THE DECISION ON THE MERITS

[10] The Commission found that Daubney failed to fulfill his obligations as a registrant pursuant to s. 1.5(1)(b) of OSC Rule 31-505 in respect of the advice given to the six investors who testified for Staff (the “Six Investors”). OSC Rule 31-505 (the “know your client” rule) requires a registrant to “make such enquiries about each client” as “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.” The Commission also found that Daubney failed to deal fairly, honestly and in good faith with the Six Investors. However, the Commission was not persuaded that Daubney gave undertakings to his clients relating to the future value of the investments he recommended, contrary to s. 38(2) of the Act.

[11] The Commission made the following specific findings:

- “Daubney’s knowledge of investment products and approaches was seriously deficient.” For example, “his plan for nearly all the investors was to achieve maximum exposure to equity mutual funds through leveraging any leverageable asset. There was never a discussion of appropriate asset allocation and return objectives taking into account each investor’s time horizon and risk tolerance.” (*Re Daubney* (2008), 31 O.S.C.B. 4817 (*“Re Daubney”*), para. 198)
- “Daubney failed to make appropriate enquiries to assess his clients’ investment needs and failed to assess their needs in any reasonable way.” For example, he “did not understand the importance of time horizons in assessing an investor’s tolerance for risk” and “placed his clients in a position where they owned insufficient unencumbered liquid assets to meet any margin calls.” (*Re Daubney*, para. 199)
- The Six Investors “were relatively vulnerable because of their lack of investment knowledge. We accept their evidence that they relied on Daubney’s advice. We also find that this was or should have been evident to Daubney.” (*Re Daubney*, para. 201)
- “Daubney failed to recommend suitable investments for the Six Investors. Indeed, the investment approach he recommended was highly risky and fundamentally unsuitable for these investors, by any reasonable standard.” (*Re Daubney*, para. 203)
- The Commission did not believe Daubney’s testimony that he clearly explained the risks, as well as the benefits, of the investments he recommended. The Commission found that “he focused on high rates of return, and virtually disregarded the potential for disaster in the combination of leveraged investing in high-risk investment products. . . . he disregarded or gave scant regard to relative risks.” (*Re Daubney*, para. 206)
- “While investors are well advised to be cautious in choosing investments, the Act places the duty of care on the registrant, who is better placed to understand the risks and benefits of any particular investment product. That duty cannot be transferred to the client.” “In any event, there was no evidence that Daubney’s clients received suitable investment advice from him which they disregarded. Instead, we heard consistent evidence from the investors that they depended on Daubney for his recommendations. We accept the investors’ evidence. Also, we find that these investors told Daubney everything he needed to know to assess their risk tolerances and yet his recommended investment approach was entirely unsuitable for them.” (*Re Daubney*, paras. 210-211)

[12] The decision on the merits concluded with the following statement:

Accordingly, we find that Daubney violated the “know-your-client” and suitability requirements of OSC Rule 31-505 by making unsuitable investment recommendations to the Six Investors who form the subject of Staff’s allegations and by failing to deal fairly, honestly and in good faith with the investors. We find that Daubney utterly failed to fulfill his obligations as a registrant under the Act, and his conduct caused great harm to the investors who relied on him.

Indeed, this is an egregious case of a registrant’s reckless disregard of his obligations under the Act. We find that Daubney has acted contrary to the public interest. (*Re Daubney*, paras. 219-220)

C. SUBMISSIONS

1. Joint Submissions

[13] In joint submissions filed by Staff on May 28, 2008, the Parties request an order terminating Daubney’s registration, permanently prohibiting him from becoming or acting as an officer or director of a registrant, and reprimanding him.

a) *Termination of Registration and Director and Officer Ban*

[14] The Parties submit that this case requires “the most serious sanctions”, and further that such sanctions should focus on Daubney’s registration status.

[15] In support of this submission, the Parties cite the Commission’s finding that Daubney failed to fulfill his obligations as a registrant and caused “great harm” to the Six Investors.

[16] Further, the Parties note the Commission’s finding that Daubney was registered as a mutual fund salesperson for a considerable period of time (between 1990 and 2002).

[17] For these reasons, the Parties submit that merely continuing the suspension of Daubney’s registration would be inadequate, and an order terminating his registration is required.

[18] Further, the Parties submit that although Daubney is not currently a director or officer of any registrant, according to Commission records, an order permanently barring him from becoming or acting as a director or officer of any registrant firm is required to protect the investing public in the future.

b) *Reprimand*

[19] The Parties also submit that a reprimand is appropriate in order to express the Commission’s disapproval of Daubney’s serious and protracted failure to fulfill his obligations as a registrant and acknowledge the losses suffered by his clients.

c) *Conclusion*

[20] The Parties submit that the proposed sanctions are consistent with those imposed in previous Commission cases involving unsuitable investment advice and breaches of the “know your client” rule. (*Re Verbeek* (2006), 29 O.S.C.B. 69; *Re Marchment & Mackay Ltd.* (1999), 22 O.S.C.B. 6446 (“*Re Marchment*”); and *Re E.A. Manning et al.* (1990), 18 O.S.C.B. 5317 (“*Re E.A. Manning*”))

[21] The Parties’ note that these cases also involved other and broader breaches of the Act, and therefore broader sanctions were imposed. However, Daubney’s breaches of the Act are all clearly rooted in his status as a registrant and his ability to dispense investment advice and accordingly his registration status is the focus of the proposed sanctions.

[22] The Parties do not seek an order for an administrative penalty, or for reimbursement of Staff’s investigation or hearing costs in this matter because any such order “might deplete funds otherwise available to clients who suffered losses” as a result of following Daubney’s advice. The Parties note that Daubney declared personal bankruptcy in 2002 and was discharged from bankruptcy in 2003. Further, there is outstanding litigation between Daubney and several of his former clients relating to the leveraged investment advice given by Daubney and the losses the plaintiff-clients claim they suffered as a result.

[23] Finally, the Parties note that the proposed sanctions are joint sanctions. The Parties submit that it is well-established in criminal law that, while a trial judge is not bound by a joint submission on sentencing, she or he must give it serious consideration, and the proposed sentence should not be rejected unless it is “contrary to the public interest and the sentence would bring the administration of justice into disrepute.” The Parties submit that this approach is equally applicable in Commission proceedings. (*R. v. Cerasuolo* (2001), 140 O.A.C. 114 (Ont. C.A.); *R. v. Dorsey* (1999), 123 O.A.C. 342 (Ont. C.A.))

2. Daubney's Submissions

[24] By letter dated June 3, 2008, Daubney's agent confirms that Staff's submissions are joint submissions, and adds that Daubney "is, for all intents and purposes indigent and his health is uncertain at best. Further particulars of his health condition can be provided if required."

3. Further Submissions

[25] Upon review of the Parties' joint submissions, we invited the parties to provide further submissions with respect to whether additional sanctions should be considered.

[26] Having reviewed the Parties' additional submissions filed in response to our request, we find that it is appropriate to order the sanctions proposed in the Parties' joint submissions.

D. ANALYSIS

1. Sanctioning Factors

[27] The Commission's well-established approach to sanctions is reviewed in Staff's May 28, 2008 joint submission, as follows, and we accept it.

[28] In making an order under section 127 of the Act, the Commission is to exercise its public interest jurisdiction in a protective and preventative manner, as described in *Re Mithras Management Ltd.*:

. . . , the role of this Commission is to protect the public interest by removing from the capital markets ? wholly or partially, permanently or temporarily, as the circumstances may warrant ? those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all. (*Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at 1610-1611)

[29] The Supreme Court of Canada described the Commission's public interest jurisdiction in the following terms:

The purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. the role of the [Commission] under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets. (*Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132, 199 D.L.R. (4th) at 591)

[30] In *Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672, the Supreme Court stated: "it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative. (para. 60, Le Bel J.)

[31] In determining the appropriate sanctions in this matter, we must consider the specific circumstances of this case to ensure that the sanctions are proportionate. (*Re M.C.J.C. Holdings Inc. and Michael Cowpland*, (2002), 25 O.S.C.B. 1133 ("*Re M.C.J.C. Holdings*") at para. 26)

[32] The Commission has accepted that the relevant factors in determining sanctions include the following:

- the seriousness of the allegations proved;
- the respondent's experience in the marketplace;
- the level of a respondent's activity in the marketplace;
- whether or not there has been a recognition of the seriousness of the improprieties;
- whether or not sanctions may deter not only those involved in the case being considered, but any like-minded people from engaging in similar conduct in the capital markets;

- any mitigating factors;
- the size of any profit (or loss avoided) from the illegal conduct;
- the size of any financial sanction or voluntary payment when considered with other factors;
- the effect any sanction might have on the livelihood of the respondent;
- the restraint any sanction might have on the ability of the respondent to participate without check in the capital markets;
- the reputation and prestige of the respondent;
- the financial consequences to a respondent of any sanction; and
- the remorse of the respondent.

(*Re Belteco Holdings* (1998), 21 O.S.C.B. 7743, para. 25-26; *Re M.C.J.C. Holdings*, para. 26)

[33] In *Re M.C.J.C. Holdings*, the Commission observed that these are only some of the factors to consider, observing that, depending on the facts in any given case, “there may be others, and perhaps all of the factors we have mentioned may not be relevant in this or another particular case.” (*Re M.C.J.C. Holdings*, para. 26)

2. The Appropriate Sanctions in this Case

[34] In this case, the most relevant factors in determining sanctions are the following.

a) *The Seriousness of the Allegations Proved*

[35] The Commission found that Daubney “utterly failed to fulfill his obligations as a registrant” with respect to the know your client and suitability requirements of OSC Rule 31-505. This case was not close to the line. Rather, the Commission described it as “an egregious case of a registrant’s reckless disregard of his obligations under the Act.” (*Re Daubney*, paras. 219-220)

[36] In the decision on the merits, the Commission relied on the following statement from *Re Marchment & Mackay Ltd.* (1999), 22 O.S.C.B. 4705 at 4708:

The duty to know the client’s investment objectives, financial means and personal circumstances, and to recommend only those investments which are suitable for the client is fundamental to the obligation of every dealer and registered representative dealing with the public.

[37] The Commission described the seriousness of Daubney’s failure to meet his obligations as a registrant as “amongst the most serious of allegations,” and continued:

As stated by the Commission, the know-your-client and suitability requirements “are an essential component of the consumer protection scheme of the Act and a basic obligation of a registrant, and a course of conduct by a registrant involving a failure to comply with them is an extremely serious matter” (*Re E.A. Manning Ltd.* at 5339).

(*Re Daubney*, paras. 212-213)

[38] Further, the Six Investors suffered great harm as a result of Daubney’s misconduct. Given their ages, retirement plans and financial circumstances, and their expressed desire for safe investments, Daubney should have known that his investment recommendations were unsuitable for these investors. The Commission found that Daubney “focused on high rates of return, and virtually disregarded the potential for disaster in the combination of leveraged investing in high-risk investment products.” The Commission found that these investors were unsophisticated and relatively vulnerable, and Daubney knew or should have known that they relied on his advice. (*Re Daubney*, paras. 201, 206 and 219)

b) *Daubney’s Role as a Registrant*

[39] As a registrant experienced in the capital markets, Daubney was expected to understand the know-your-client and suitability rules, which “are an essential component of the consumer protection scheme of the Act and a basic obligation of a registrant”. (*Re Daubney*, para. 213, referring to *Re E.A. Manning*, at 5339)

c) *The Effect of the Proposed Sanction on the Respondent's Livelihood and Ability to Participate in the Capital Markets*

[40] Daubney's registration was suspended by the Commission in January 2003, and he is not currently a director or officer of any registrant. Given Daubney's age and health, we find that the proposed agreed sanctions will effectively bar him permanently from participating as a registrant in the capital markets.

d) *Other Factors*

[41] Given the egregious nature of Daubney's misconduct, we considered whether additional sanctions should be ordered, including a cease trade order under paragraph 2 of s. 127(1) of the Act, an order under paragraph 3 of s. 127(1) that any exemptions contained in Ontario securities law do not apply to Daubney, an order prohibiting calls to residences pursuant to section 37 of the Act, and an administrative penalty under paragraph 9 of s. 127(1) of the Act. We also considered whether this was an appropriate case for an order of costs under s. 127.1 of the Act.

[42] However, having reviewed the further submissions of the Parties filed in response to our request, we conclude that it is appropriate to accept the Parties' joint submissions in this case. Though we might have given serious consideration to additional sanctions following a contested sanctions hearing, we are satisfied that the proposed joint sanctions, are in the public interest. We find that terminating Daubney's registration and barring him from becoming or acting as a director or officer of a registrant are the appropriate sanctions for Daubney's failure to fulfill his obligations as a registrant. These sanctions prevent future harm by ensuring that Daubney will never again be able to take on a licensed role in the securities industry. Further, our reprimand expresses our strong disapproval of Daubney's misconduct, which was serious and protracted, and caused great harm to vulnerable investors.

E. CONCLUSION

[43] For the reasons given, we conclude it is in the public interest to make the following order.

[44] It is ordered that:

1. The registration granted to Daubney under Ontario securities law is terminated, pursuant to paragraph 1 of subsection 127(1) of the Act;
2. Daubney is prohibited from becoming or acting as director or officer of any registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act; and
3. Daubney is reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act.

DATED in Toronto this 14th day of August, 2008.

"Carol S. Perry"

"Margot C. Howard"

3.1.2 Peter George Lee - s. 127

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

AND

IN THE MATTER OF
PETER GEORGE LEE

HEARING HELD PURSUANT TO SECTION 127 OF THE ACT

SETTLEMENT HEARING RE: PETER GEORGE LEE

Hearing: Thursday, July 3, 2008

Panel: Suresh Thakrar - Commissioner and Chair of the Panel
David L. Knight - Commissioner

Counsel: Cullen Price - for Staff of the Ontario Securities Commission
Cynthia Amsterdam - for Peter George Lee

ORAL RULING AND REASONS

The following text has been prepared for the purpose of publication in the Ontario Securities Commission Bulletin and is based on excerpts of the transcript of the hearing. The excerpts have been edited and supplemented and the text has been approved by the Chair of the Panel for the purpose of providing a public record of the decision.

Chair:

[1] This was a hearing under sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended, (the "Act") for the Ontario Securities Commission (the "Commission") to consider whether it is in the public interest to approve a proposed settlement agreement (the "Settlement Agreement") between Staff of the Commission ("Staff") and the respondent Peter George Lee ("Lee").

[2] We have considered Staff's written submissions and the oral submissions of Staff and Lee, and we have decided to approve the Settlement Agreement as being in the public interest.

[3] This case involves inaccurate and false public disclosure. Specifically, this settlement hearing is concerned with Lee's conduct as Chief Financial Officer ("CFO") of HIP Interactive Corporation ("HIP"), which was a reporting issuer from December 1999 until July 2005, when an interim receiver was appointed over its assets and affairs. Lee, a Chartered Accountant since 1985, held the position of CFO at HIP from September 2001 until May 2005.

[4] The relevant facts in this matter are set out in the Settlement Agreement. The key points are as follows:

- (a) In July 2004, HIP's Director of Purchasing advised Lee that the inventory balance was overstated in the General Ledger ("GL") by approximately \$1.3 million. The overstatement primarily related to inventory that did not actually exist being recorded by new malfunctioning software ("Virtual Inventory").
- (b) At no time did Lee advise HIP's Chief Executive Officer, President, Board of Directors (the "Board"), Audit Committee or auditors about the \$1.3 million overstatement in inventory, despite receiving questions from the Board with respect to the increasing inventory balance during a Board meeting on August 10, 2004.
- (c) Lee did not instruct anyone to correct the GL balance as at June 30, 2004. Therefore, Lee was aware that the financial statements prepared for the first quarter, ended June 30, 2004, reflected the \$1.3 million overstatement.
- (d) During July 2004 an additional \$700,000 of Virtual Inventory accumulated, bringing the total Virtual Inventory overstatement to \$2 million. At Lee's instruction, the additional \$700,000 of inventory was written off in July 2004.

- (e) by September 30, 2004, the end of second quarter, the GL balance was still incorrect as a result of the continuing inventory overstatement.
- (f) Lee had decided that the best course of action was to eliminate the \$1.3 million inventory error in the biggest quarter, being Q3 2004, where no one would notice the correction. Lee believed that if they put through the adjustment of \$1.3 million in a lump sum it would be noticed and this would create a significant negative impact on the company. He therefore instructed staff to make an adjustment in the third quarter over three months.
- (g) In the course of conducting the audit of HIP's financial statements, the HIP auditors had set a materiality test for the relevant time at \$125,000.
- (h) By writing off the inventory in October, November and December, Lee hoped to conceal the inventory overstatement over three quarters. In doing so, he knew that the Q1 and Q2 financial statements of HIP, which had been released, were materially false.

[5] In the Settlement Agreement, Lee acknowledges that:

- (a) as CFO, he certified to the Commission the accuracy of HIP's interim financial statements for HIP's first and second quarters of 2004;
- (b) he was aware that the interim financial statements for both quarters were inaccurate due to an inventory overstatement of \$1.3 million;
- (c) he signed the Management Representation letter to HIP's auditors and in this letter represented that the interim financial statements were fairly stated, while he knew that the statements of June 30, 2004 were not because of the inventory overstatement;
- (d) he made further representations, which in light of the \$1.3 million overstatement, were untrue, including the representation that "there are no significant and unusual transactions that have occurred..." and "there are no significant deficiencies, including material weaknesses, in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarize and report financial data"; and
- (e) he did not advise the CEO, Board of Directors, Audit Committee or the auditors, and instead instructed HIP employees to write off the Virtual Inventory in order to conceal the inventory overstatement.

[6] In summary, as CFO, Lee became aware of a material inventory overstatement in July 2004. Instead of advising the Board of Directors or HIP's auditors, Lee orchestrated a scheme to conceal and write off the overstatement over successive quarters.

[7] During that time period, Lee falsely certified and filed with the Commission two Certificates of Interim Filings which represented HIP's interim financial statements as accurate when, in fact, they were not.

[8] In the Settlement Agreement, Lee has admitted that his conduct in deliberately certifying false Certificates of Interim Filing violated s. 122(1)(b) of the Act.

[9] By entering into the Settlement Agreement, Lee has recognized that his conduct was contrary to the public interest, and Lee has accepted sanctions including a 15-year restriction from being a director or an officer of any reporting issuer or registrant. This restriction is designed to ensure that Lee cannot have any leadership role or hold positions of significant responsibility with registrants or reporting issuers over the next fifteen years.

[10] The Commission's mandate in upholding the purposes of the Act, as set out in section 1.1 of the Act, is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in the capital markets.

[11] Further, in accordance with section 2.1 of the Act, the Commission is guided by certain fundamental principles in pursuing the purposes of the Act, including the "requirements for timely accurate and efficient disclosure of information", which is a cornerstone principle of securities regulation (*Re Phillip Services Corp.* (2006), 29 O.S.C.B. 3971), and the "requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants".

[12] The role of the Commission in exercising its public interest jurisdiction is set out in *Re Mithras Management Ltd.*:

[...] the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all. (*Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at pp. 1610-1611)

[13] We are also guided by the sanctioning factors established in *Re M.C.J.C. Holding and Michael Cowpland* (2002), 25 O.S.C.B. 1133 and *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743, which include:

- the seriousness of the allegations;
- the respondent's experience in the marketplace;
- the level of the respondent's activity in the marketplace;
- whether or not there has been a recognition of the seriousness of the improprieties;
- the restraint of future conduct that is likely to be prejudicial to the public interest (with reference to past conduct);
- whether or not the sanctions imposed may serve to deter not only those involved in the case being considered, but any like-minded people from engaging in similar abuses of the capital markets;
- any mitigating factors;
- the size of any profit from the illegal conduct;
- the reputation and prestige of the respondent; and
- the remorse of the respondent.

[14] It was established in *Re Sohan Singh Koonar et al.* (2002), 25 O.S.C.B. 2691, that the role of the Panel in reviewing a settlement agreement is not to substitute its own sanctions for what is proposed in the settlement agreement. Instead, the Panel should ensure that the agreed sanctions in the settlement agreement are within acceptable parameters.

[15] This is what we as a Panel have done in approving this Settlement Agreement. Considering Lee's position as stated in the Settlement Agreement, we are of the view that the sanctions set out in the Settlement Agreement are within acceptable parameters.

[16] By entering into the Settlement Agreement, Lee has recognized the seriousness of his misconduct.

[17] Lee's deliberate act of certifying false Certificates of Interim Filing with the Commission is a serious violation of securities law, and it undermines the primary goals of the Commission to achieve investor protection and fostering of fair and efficient capital markets. Disclosing false information into the market place sends the wrong signal to investors and misleads the market as a whole and this endangers the efficiency of the capital markets and damages investor confidence.

[18] As CFO, Lee occupied a position of authority, responsibility and trust with the company. He was ultimately responsible for HIP's financial reporting obligations. He abused his position and engaged in conduct contrary to the public interest, and the Commission will not tolerate such deliberate violations of securities laws by officers and directors.

[19] In previous cases, the Commission has sanctioned officers and directors for the failure to provide accurate disclosure. In the present case, a 15-year prohibition against acting as a director or officer of any reporting issuer or registrant is an adequate and significant sanction for Lee. Such a restriction is designed to ensure that Lee cannot have any leadership role or significant responsibility with either registrants or reporting issuers for the next 15 years. We find that such a prohibition adequately protects the public and serves to deter Lee and like minded individuals from engaging in similar conduct in the future.

[20] We also find that payment of an administrative penalty of \$13,000 and costs in the amount of \$2,000 is appropriate in this case. By entering into the Settlement Agreement, Lee eliminated the need for a full hearing, which conserves the Commission's adjudicative resources.

[21] Lee has also been sanctioned by the Disciplinary Committee of the Institute of Chartered Accountants of Ontario (the "ICAO") for the conduct that is at issue in this settlement. The Disciplinary Committee ordered publicly that Lee be reprimanded, that he pay a fine of \$15,000 and costs of \$10,000, and that he be suspended from membership from the ICAO for 12 months. We note that Lee recognized the seriousness of his conduct and he self-reported his misconduct to the ICAO.

[22] We also take into account the following mitigating factors: (i) Lee did not profit from his misconduct; (ii) he showed remorse for his actions; and (iii) Lee co-operated with Staff and as such ought to receive credit for doing so pursuant to OSC Staff Notice 15-702.

[23] By entering into the Settlement Agreement, Lee has recognized that his conduct was contrary to the public interest and has accepted sanctions which include that he:

- (a) be reprimanded;
- (b) resign all positions that he holds as a director or officer of a reporting issuer;
- (c) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 15 years commencing on the date of the Commission's order;
- (d) be prohibited from becoming or acting as a director or officer of any registrant for a period of 15 years commencing on the date of the Commission's order;
- (e) pay an administrative penalty of \$13,000; and
- (f) pay the Commission's costs of the investigation and hearing in the amount of \$2,000.

[24] In conclusion, we find that together, the all the sanctions imposed in this matter provide adequate specific and general deterrence. In particular, this settlement will have consequences to Lee's personal and professional reputation and financial status.

[25] We approve the Settlement Agreement as being in the public interest.

Approved by the Chair of the Panel on August 15, 2008.

"Suresh Thakrar"

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
Fareport Capital Inc.	06 Aug 08	19 Aug 08	15 Aug 08	
Tarquin Group Inc.	31 July 08	12 Aug 08	12 Aug 08	
iSCOPE Inc.	05 Aug 08	15 Aug 08	15 Aug 08	
OnePak, Inc.	05 Aug 08	15 Aug 08	15 Aug 08	
La Imperial Resources Inc.	15 Aug 08	27 Aug 08		

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
Ocean Lake Commerce Inc.	01 Aug 08	14 Aug 08	14 Aug 08		
EnGlobe Corp.	18 Aug 08	29 Aug 08			

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
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Hip Interactive Corp.	04 July 05	15 July 05	15 July 05		
T S Telecom Ltd.	31 July 08	13 Aug 08	13 Aug 08		
Leader Capital Corp.	31 July 08	13 Aug 08	13 Aug 08	20 Aug 08	
OceanLake Commerce Inc.	01 Aug 08	14 Aug 08			
EnGlobe Corp.	18 Aug 08	29 Aug 08			

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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 SecuritiesSource (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	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
01/30/2008	5	Advantex Marketing International Inc. - Warrants	0.00	1,165,250.00
08/01/2008	3	Alexandria Minerals Corporation - Flow-Through Units	316,900.09	2,437,693.00
11/30/2007 to 12/31/2007	79	AlphaOne Partners Fund Inc. - Common Shares	13,082,000.00	1,308,200.00
07/28/2008	3	AMADOR GOLD CORP. - Common Shares	34,000.00	400,000.00
07/22/2008	9	Annidis Health Systems Corp. - Common Share Purchase Warrant	150,000.00	375,000.00
08/07/2008	1	Asia Now Resources Corp. - Common Shares	5,733,159.52	13,029,908.00
07/28/2008	1	Asian Coast Development Inc. - Common Shares	20,000,000.00	500,000.00
07/28/2008	1	Asian Coast Development Inc. - Special Shares	6,000,000.00	150,000.00
07/30/2008	327	Athabasca Oil Sands Corp. - Notes	400,000,000.00	400,000.00
11/22/2007	57	Avalon Ventures Ltd. - Flow-Through Shares	4,634,250.00	2,660,000.00
11/22/2007	117	Avalon Ventures Ltd. - Units	12,028,700.00	7,595,000.00
07/31/2008	13	Axiotron Canada Inc. - Units	1,829,904.00	NA
08/01/2008	2	Big Earth Brands Ltd. - Common Shares	295,000.20	327,778.00
01/15/2008 to 03/31/2008	6	Bison Income Trust II - Trust Units	833,500.00	83,350.00
07/31/2008	1	Black Sea Oil & Gas Ltd. - Common Shares	54,000.00	40,000.00
07/31/2008	3	Black Sea Oil & Gas Ltd. - Flow-Through Shares	50,802.00	33,868.00
07/31/2008	100	Blackstone Capital Partners VI L.P. - Limited Partnership Interest	6,229,383,810.00	NA
07/31/2008	100	Blackstone Capital Partners VI L.P. - Limited Partnership Interest	6,139,383,810.00	6,229,383,810.00
07/31/2008	1	Brett Resources Inc. - Common Shares	119,840,000.00	14,000,000.00
08/06/2008	8	Brett Resources Inc. - Common Shares	40,700.00	55,000.00
02/20/2008	6	Brighter Minds Media Inc. - Common Shares	702,000.00	5,850,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/31/2008	1	Burlington Partners I LP. - Limited Partnership Units	125,000.00	125.00
12/31/2007	40	CalStar Oil & Gas Ltd. - Common Shares	1,656,200.00	6,624,800.00
05/08/2008	21	Canadian Orebodies Inc. - Flow-Through Units	683,000.00	2,500,000.00
05/08/2008	33	Canadian Orebodies Inc. - Units	2,314,000.00	8,988,000.00
08/08/2008	367	Canadian Phoenix Resources Corp. - Receipts	12,051,675.00	80,344,500.00
03/31/2008	26	Capital BLF Inc. - Common Shares	2,208,600.00	7,362,000.00
08/01/2008	4	Capital Direct I Income Trust - Trust Units	167,000.00	16,700.00
03/14/2008	3	Castle Resources Inc. - Units	1,174,999.35	3,357,141.00
03/27/2008	69	Centenario Copper Corporation - Special Warrants	58,000,000.00	10,000,000.00
07/18/2008	1	Chuo Mitsui Trust Holdings, Inc. - Common Shares	3,438,000.00	170,000,000.00
07/31/2008	1	Citadel Gold Mines Inc. - Common Shares	500,000.00	2,544,568.00
07/25/2008	1	Cline Mining Corporation - Notes	19,000,000.00	19,000,000.00
08/02/2008 to 08/08/2008	4	CMC Markets Canada Inc. - Contracts for Differences	16,000.00	4.00
12/31/2007 to 01/07/2008	1	Colt Resources Inc. - Flow-Through Shares	20,000.05	57,143.00
12/31/2007 to 01/07/2008	17	Colt Resources Inc. - Units	977,000.00	3,908,000.00
07/30/2008	2	Colt Resources Inc. - Units	225,000.00	900,000.00
06/13/2008 to 06/19/2008	1	Consumer Discretionary Selt - Common Shares	1,323,676.38	41,700.00
03/25/2008	1	Corona Gold Corporation - Common Shares	375,000.00	500,000.00
03/25/2008	1	Corona Gold Corporation - Flow-Through Shares	375,000.00	500,000.00
07/31/2008	8	CounterPath Corporation - Units	3,747,496.56	2,433,439.00
06/19/2008 to 07/07/2008	3	Credit Suisse China Harvest II Offshore Feeder, L.P. - Limited Partnership Interest	965,010.00	965,010.00
04/30/2008 to 07/04/2008	2	Cuprus Mining Corporation - Common Shares	123,000.00	6,115,000.00
07/31/2008	24	Diamond Estates Wines & Spirits Ltd. - Common Shares	4,024,842.20	1,059,169.00
08/01/2008 to 08/08/2008	107	EMR Drilling Inc. - Common Shares	34,930,000.00	17,465,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/31/2008	1	Enableness Technologies Inc. - Common Shares	5,105,634.15	3,521,127.00
12/18/2007	8	European Minerals Corporation - Common Shares	22,396,000.00	17,496,875.00
07/29/2008	25	Exile Resources Inc. - Common Shares	2,950,019.67	22,692,459.00
06/04/2008 to 06/27/2008	1	Financial Select Sector SPDR - Common Shares	3,392,925.30	146,900.00
08/01/2008	5	Firm Capital Mortgage Investment Corporation - Preferred Shares	533,000.00	533,000.00
07/30/2008 to 08/01/2008	3	First Leaside Fund - Trust Units	33,861.00	33,861.00
07/30/2008	1	First Leaside Fund - Trust Units	27,197.00	27,197.00
07/31/2008	1	First Leaside Investors Limited Partnership - Limited Partnership Interest	25,001.00	25,001.00
07/01/2008 to 08/15/2008	6	First Leaside Wealth Management Inc. - Notes	561,316.00	561,316.00
07/30/2008 to 07/31/2008	2	First Leaside Wealth Management Inc. - Preferred Shares	250,000.00	250,000.00
05/30/2008	9	Forest Gate Resources Inc. - Flow-Through Units	968,799.91	2,222,221.00
05/30/2008	5	Forest Gate Resources Inc. - Units	359,000.08	1,611,430.00
08/01/2008	1	Functional Neuroscience Inc. - Debenture	200,000.00	1.00
07/21/2008 to 07/25/2008	16	General Motors Acceptance Corporation of Canada, Limited - Notes	4,116,663.28	4,116,663.28
03/20/2008	32	Glamis Resources Ltd. - Common Shares	3,825,475.00	3,480,000.00
03/20/2008	38	Glamis Resources Ltd. - Flow-Through Shares	2,178,525.00	1,430,000.00
03/01/2007 to 12/03/2007	2	Global Opportunities Portfolio - Units	125,000.00	1,250.00
02/22/2008 to 02/27/2008	7	GLR Resources Inc. - Flow-Through Shares	2,000,000.00	4,000,000.00
02/22/2008 to 02/27/2008	2	GLR Resources Inc. - Units	2,010,000.00	5,025,000.00
07/31/2008	6	Golden Dawn Minerals Inc. - Flow-Through Units	162,500.00	812,500.00
07/09/2008	1	Greentree Gas & Oil Ltd. - Units	250,000.00	1,562,500.00
02/04/2007	1	Hammond Power Solutions Inc. - Common Shares	2,043,200.00	160,000.00
08/12/2008	39	Heart Force Medical Inc. - Common Shares	1,214,700.00	3,036,750.00
05/09/2008	53	Honda Canada Finance Inc. - Debentures	750,000,000.00	750,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/01/2007 to 12/01/2007	3	HorizonOne EnergyPlus Fund - Units	211,107.00	2,111.00
02/01/2007 to 03/01/2007	3	HorizonOne EnergyPlus Fund L.P. - Units	550,000.00	5,500.00
06/25/2008	1	Horizons BetaPro PTSX60 ETF - Common Shares	131,499.76	4,000.00
08/01/2008	1	Iberian Minerals Corp. - Common Shares	745,901.64	857,358.00
07/31/2008	3	IntelliOne Technologies Corporation - Units	12,564,825.00	6,125,000.00
03/27/2008	2	International Kirkland Minerals Inc. - Common Shares	52,500.00	1,000,000.00
07/28/2008	1	Iron Creek Capital Corp. - Common Shares	236,250.00	525,000.00
06/11/2008	1	iShares A50 China Tracker - Common Shares	4,043,368.00	250,000.00
06/03/2008 to 06/16/2008	4	iShares Cdn S&P/TSX 60 Indx - Common Shares	13,754,904.38	151,549.00
06/16/2008 to 06/26/2008	1	iShares CDN S&P/TSX Cap Enrg - Common Shares	285,307.83	2,500.00
06/11/2008 to 06/23/2008	6	iShares DJ US Transport Indx - Common Shares	8,744,650.64	91,675.00
06/04/2008 to 06/06/2008	1	iShares MSCI Australia Index Fund - Common Shares	57,766.26	2,000.00
06/02/2008 to 06/12/2008	5	iShares MSCI EAFE Index Fund - Common Shares	8,800,434.16	115,500.00
06/05/2008 to 06/13/2008	4	iShares MSCI Emerging Markets Index Fund - Common Shares	162,869,674.05	1,065,400.00
06/25/2008	1	iShares MSCI EMU Index Fund - Common Shares	173,613.25	1,700.00
06/30/2008	1	iShares MSCI France Index FD - Common Shares	131,899.96	4,000.00
06/03/2008 to 06/30/2008	1	iShares MSCI Germany Index Fund - Common Shares	205,712.95	6,400.00
06/04/2008	1	iShares MSCI Hong Kong Index Fund - Common Shares	38,979.70	2,000.00
06/02/2008 to 06/30/2008	3	iShares MSCI Japan Index Fund - Common Shares	1,142,964.51	82,720.00
06/02/2008 to 06/03/2008	2	iShares MSCI United Kingdom Index Fund - Common Shares	208,472.74	9,100.00
06/26/2008	2	iShares MSCI United Kingdom Index Fund - Common Shares	2,197,905.72	24,000.00
06/05/2008 to 06/27/2008	2	iShares Russell 1000 Index Fund - Common Shares	194,820,415.24	2,579,076.00
06/02/2008 to 06/09/2008	5	iShares Russell 2000 Index Fund - Common Shares	67,881,761.99	896,400.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/12/2008	3	iShares Russell Microcap Index Fund - Common Shares	674,082.52	13,800.00
06/12/2008	3	IShares S&P Latin America 40 - Common Shares	5,888,007.08	20,800.00
05/19/2008	1	JA Solar Holdings Co; Ltd. - American Depository Shares	62,575.00	2,500.00
08/01/2008	1	KBSH EAFE Equity Small Cap Fund - Units	11,367,775.35	621,427.61
06/27/2008	44	KBSH Private - Balanced Fund - Units	7,219,087.89	632,532.02
07/15/2008	1	KBSH Private - Canadian Equity Fund - Units	80,000.00	4,345.94
07/15/2008	1	KBSH Private - Fixed Income Fund - Units	100,000.00	9,951.24
07/31/2008	2	KBSH Private - U.S. Equity Fund - Units	25,000.00	2,318.04
06/20/2008 to 06/27/2008	1	KBW Bank ETF - Common Shares	214,158.79	6,930.00
06/27/2008	1	KBW Regional Banking ETF - Common Shares	27,972.80	990.00
08/11/2008	2	Kensington International Private Equity Fund I, L.P. - Limited Partnership Units	2,134,000.00	2,134.00
08/13/2008	1	Kensington Private Equity Fund IV, L.P. - Limited Partnership Units	4,715,000.00	4,715.00
07/31/2008	35	Kingsway Arms Retirement Residences Inc. - Common Shares	1,000,000.00	4,000,000.00
07/31/2008	2	Kingwest Avenue Portfolio - Units	7,650.00	277.37
07/31/2008	1	Kingwest Canadian Equity Portfolio - Units	365,000.00	33,275.60
07/31/2008	1	Kingwest U.S. Equity Portfolio - Units	184,598.17	14,953.40
08/12/2008	13	La Quinta Resources Corporation - Units	675,000.00	2,700,000.00
08/08/2008	1	Liquid Computing Corporation - Debentures	922,194.68	922,194.68
08/08/2008	1	Liquid Computing, Inc. - Debentures	865,286.59	865,286.59
02/27/2008	1	Lund Gold Ltd. - Common Shares	74,000.00	400,000.00
08/01/2008	4	Magenta II Mortgage Investment Corporation - Common Shares	444,500.00	444,500.00
08/01/2008	1	Magenta Mortgage Investment Corporation - Common Shares	150,000.00	15,000.00
06/05/2008 to 06/26/2008	2	Market Vectors Agribusiness - Common Shares	1,857,022.31	29,000.00
06/25/2008	1	Market Vectors Coal ETF - Common Shares	284,634.39	5,000.00
06/05/2008 to 06/26/2008	3	Materials Select Sector SPDR - Common Shares	4,986,766.37	113,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/01/2008	2	MCAN Performance Strategies - Limited Partnership Units	5,751,031.23	42,622.39
06/20/2008	1	MF Global Ltd. - Notes	813,760,000.00	8,000,000.00
07/25/2008	21	MPH Ventures Corp. - Common Share Purchase Warrant	474,000.00	2,430,000.00
08/05/2008	54	Network Exploration Ltd. - Units	750,000.00	15,000,000.00
08/08/2008	13	Nevoro Inc. - Units	2,336,500.00	6,675,714.00
07/23/2008	8	Newport Diversified Hedge Fund - Units	586,034.91	4,440.37
07/28/2008	53	OccuLogix, Inc. - Debt	3,479,057.70	3,479,057.70
08/01/2008	3	OCP Debt Opportunity International Ltd. - Special Shares	5,752,320.00	NA
10/14/2005	1	Opawica Explorations Inc. - Common Shares	237,500.00	2,500,000.00
06/29/2006	1	Opawica Explorations Inc. - Common Shares	450,000.00	2,500,000.00
08/01/2006	3	Opawica Explorations Inc. - Common Shares	225,000.00	1,500,000.00
09/13/2006	1	Opawica Explorations Inc. - Common Shares	15,000.00	150,000.00
02/20/2007	1	Opawica Explorations Inc. - Common Shares	300,000.00	2,500,000.00
03/26/2007	5	Opawica Explorations Inc. - Common Shares	57,000.00	600,000.00
05/16/2007	1	Opawica Explorations Inc. - Common Shares	45,000.00	500,000.00
06/11/2007	10	Opawica Explorations Inc. - Common Shares	700,000.00	10,000,000.00
10/01/2007	22	Opawica Explorations Inc. - Common Shares	1,114,500.00	14,350,000.00
10/05/2007	1	Opawica Explorations Inc. - Common Shares	200,000.00	2,500,000.00
12/31/2007	4	Opawica Explorations Inc. - Common Shares	126,000.00	1,000,000.00
02/29/2008	7	Opawica Explorations Inc. - Units	116,100.00	1,000,000.00
05/02/2008	20	Opawica Explorations Inc. - Units	1,126,000.00	1,407,500.00
04/21/2008	33	Oremin Metals Ltd. - Common Shares	555,250.00	2,221,000.00
07/31/2008	5	Otish Energy Inc. - Units	1,110,000.00	5,550,000.00
07/31/2008	5	Pacific & Western Credit Corp. - Notes	2,920,000.00	2,920,000.00
05/06/2008	7	Packet 360 Technologies, Inc. - Debentures	852,824.94	896,250.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
02/15/2008	35	Pan Caribbean Minerals Inc. - Common Shares	913,750.00	6,091,666.00
05/21/2008	30	Pelangio Mines Inc. - Notes	3,000,000.00	4.00
04/01/2008	3	Plaintree Systems Inc. - Common Shares	18,500,000.00	3,500,000.00
07/31/2008	6	Plato Gold Corp - Flow-Through Units	200,000.00	2,000,000.00
07/31/2008	1	Plato Gold Corp - Units	50,000.00	555,556.00
06/27/2008	1	Powershares DB Agriculture Fund - Common Shares	73,260.07	1,700.00
04/29/2008	2	Prime City One Capital Corp. - Common Shares	35,000.00	350,000.00
07/31/2008 to 08/06/2008	111	PT Healthcare Solutions Corp. - Common Shares	10,773,558.02	8,504,520.00
07/31/2008	18	Q-Gold Resources Ltd. - Flow-Through Units	182,520.00	2,481,500.00
07/31/2008	9	Q-Gold Resources Ltd. - Non-Flow Through Units	143,040.00	2,384,000.00
06/27/2008	1	Railpower Technologies Corp. - Debenture	20,000,000.00	1.00
04/07/2008	1	Redev Properties Capital Pool Inc. - Bonds	10,000.00	100.00
07/17/2008	5	Rolling Rock Resource Corporation - Units	720,000.00	4,500,000.00
03/30/2007	2	Rosalind Capital Partners L.P. - Limited Partnership Units	1,723,390.44	1,491,830.81
12/14/2007	9	Roxmark Mines Limited - Units	1,176,915.00	3,796,500.00
03/21/2007 to 09/30/2007	2	Royal Empire China Fund - Units	840,110.29	83,181.00
07/31/2008	32	RPFL-Kensington Private Equity Limited Partnership IV - Limited Partnership Units	5,400,000.00	108.00
07/31/2008	11	RPFL-Kensington Private Equity Limited Partnership No. 1 - Limited Partnership Units	1,900,000.00	38.00
08/05/2008	11	Sampo Resources Inc. - Common Shares	187,000.00	374,000.00
01/02/2007 to 12/31/2007	33	Sanford C. Bernstein Global Blend Equity Fund - Units	675,080,771.08	21,191,091,331.00
02/01/2008	1	Sextant Strategic Opportunities Hedge Fund LP - Units	30,000.00	895.80
05/23/2008	6	Sextant Strategic Opportunities Hedge Fund LP - Units	428,043.99	13,563.60
08/01/2008	7	Sextant Strategic Opportunities Hedge Fund LP - Units	441,850.00	7,633.40
02/04/2008 to 02/05/2008	7	Silverbirch Inc. - Units	328,500.00	1,165,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/12/2007 to 12/20/2007	13	SITEC Ventures Corp. - Common Shares	35,000.00	700,000.00
06/13/2008	3	SPDR S&P Emerging Asia Pacific - Common Shares	24,232,118.27	323,000.00
06/12/2008 to 06/13/2008	3	SPDR S&P Emerging Europe ETF - Common Shares	14,395,405.04	211,000.00
06/12/2008 to 06/13/2008	3	SPDR S&P Emerging Middle East - Common Shares	4,813,784.23	72,000.00
06/11/2008 to 06/27/2008	5	SPDR S&P Retail ETF - Common Shares	10,695,424.93	331,200.00
06/03/2008 to 06/30/2008	15	SPDR Trust Series 1 - Common Shares	166,030,899.29	1,216,175.00
05/13/2008	1	Stockgroup Information Systems Inc. - Preferred Shares	3,001,500.00	3,000.00
07/31/2008	2	Stornoway Diamond Corporation - Common Shares	21,999,999.60	24,444,444.00
06/26/2008 to 06/27/2008	3	Streettracks Gold Trust - Common Shares	18,748,449.87	201,355.00
04/04/2008	2	Sulliden Exploration Inc. - Units	2,000,000.01	5,714,286.00
03/20/2008	13	Suramina Resources Inc. - Common Shares	9,900,000.00	8,250,000.00
08/06/2008	1	Taranis Resources Inc. - Units	46,000.00	100,000.00
05/09/2008	1	Target Exploration & Mining Corp. - Common Shares	25,000.00	25,000.00
12/06/2007	34	Tarsis Capital Corp. - Units	1,581,822.90	2,259,747.00
08/08/2008	1	The Chipperry Chip Factory Inc. - Common Shares	13,407.41	71,430.00
07/24/2008	3	The Jenex Corporation - Units	115,000.00	2,300,000.00
07/30/2008	11	The Phoenician Fund Corporation I - Common Shares	449,960.00	4,285,333.00
01/28/2008 to 01/31/2008	3	The Raillery Fund L.P. - Limited Partnership Units	550,000.00	550.00
02/29/2008	2	The Raillery Fund L.P. - Limited Partnership Units	1,000,000.00	1,000.00
06/01/2007 to 10/01/2007	2	The Tailwind Fund LP - Limited Partnership Units	5,675,000.00	5,675.00
01/01/2005 to 12/31/2005	380	Thornmark Dividend & Income Fund - Units	37,428,008.12	NA
01/01/2005 to 12/31/2005	380	Thornmark Enhanced Equity Fund - Units	37,428,008.12	NA
07/22/2008	4	Total Fitness Holdings (UK) Limited - Notes	2,041,358.00	1,015,601.00
07/22/2008	4	Total Fitness Holdings (UK) Limited - Notes	2,584,235.00	1,285,689.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
08/08/2008	40	True North Gems Inc. - Units	1,002,900.00	3,343,000.00
06/25/2008 to 06/26/2008	1	Ultra Financial Proshares - Common Shares	1,435,900.03	60,000.00
06/06/2008	1	Ultra Oil & Gas ProShares - Common Shares	436,859.10	3,500.00
06/06/2008	1	Ultra QQQ Proshares - Common Shares	440,351.17	5,000.00
06/10/2008 to 06/12/2008	2	Ultrashort Industrials Proshares - Common Shares	20,928,673.76	347,300.00
06/13/2008 to 06/19/2008	5	Ultrashort Oil & Gas Proshares - Common Shares	4,132,052.95	144,600.00
06/24/2008	1	Ultrashort QQQProshares - Common Shares	2,262,372.00	52,290.00
06/24/2008	1	Ultrashort S&P500 Proshare - Common Shares	2,616,493.57	39,970.00
04/24/2008	2	United Reef Limited - Common Shares	250,000.00	5,000,000.00
04/24/2008 to 05/01/2008	11	United Reef Limited - Flow-Through Shares	400,800.00	947,500.00
06/09/2008 to 06/26/2008	5	United States Oil Fund LP - Common Shares	9,650,064.62	87,800.00
07/31/2008	85	Vertex Fund - Trust Units	9,532,083.39	398,706.43
07/23/2008	30	Walton AZ Silver Reef 3 Investment Corporation - Common Shares	1,200,330.00	120,033.00
08/07/2008	11	Walton Ottawa Region Investment Corporation - Common Shares	468,130.00	46,813.00
07/24/2008	60	Walton TX South Grayson Investment Corporation - Common Shares	1,363,760.00	136,376.00
07/08/2008	37	Walton TX South Grayson Investment Corporation - Common Shares	719,420.00	71,942.00
07/24/2008	31	Walton TX South Grayson Limited Partnership - Limited Partnership Units	2,264,101.79	224,564.00
08/07/2008	8	Walton TX South Grayson Limited Partnership - Units	940,898.60	89,635.00
07/31/2008	39	Western Canadian Oil Sands Inc. - Common Shares	1,545,000.00	25,750,000.00
06/17/2008	16	Whitecastle New Urban Fund, L.P. - Limited Partnership Units	63,450.00	63,450,000.00
04/30/2008	1	Windsor Auto Trust c/o The Canada Trust Company - Notes	75,084,794.72	75,084,794.72
04/04/2008	3	X-CAL Resources Ltd. - Common Shares	165,000.00	500,000.00
07/23/2008	4	Yukon Gold Corporation Inc. - Flow-Through Shares	620,100.00	4,134,000.00
07/31/2008	98	Zimtu Capital Corp. - Units	7,260,918.96	NA

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

71 Capital Corp.

Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary CPC Prospectus dated August 13, 2008

NP 11-202 Receipt dated August 15, 2008

Offering Price and Description:

\$250,000.00 or 2,500,000 to \$750,000.00 or 7,500,000

Common Shares Price - \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Standard Securities Capital Corporation

Promoter(s):

-

Project #1302000

Issuer Name:

Amicus Capital Corp.

Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated August 13, 2008

NP 11-202 Receipt dated August 14, 2008

Offering Price and Description:

\$3,500,000.00 - 7,000,000 Common Shares Price: \$0.50 per Common Share and 36,000,000 Common Shares in connection with the Transaction

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

-

Project #1305041

Issuer Name:

Argonaut Capital Ltd.

Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated August 12, 2008

NP 11-202 Receipt dated August 13, 2008

Offering Price and Description:

\$650,000.00 - 3,250,000 Common Shares Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #1305037

Issuer Name:

New Flyer Industries Canada ULC

New Flyer Industries Inc.

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated August 15, 2008

NP 11-202 Receipt dated August 15, 2008

Offering Price and Description:

\$102,402,720.00 - 9,143,100 Income Deposit Securities

Price: \$11.20 per IDS

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

TD Securities Inc.

Cormark Securities Inc.

Promoter(s):

-

Project #1306758/1306757

Issuer Name:

ONE Financial Real Property Development Trust (2008-1)

ONE Financial Real Property Income Fund (2008-1)

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated August 15, 2008

NP 11-202 Receipt dated August 18, 2008

Offering Price and Description:

\$2,500,000 (100,000 Combined Units) - \$75,000,000

(3,00,000 Combined Units)

Price - \$25.00 per Combined Unit

Minimum Subscription - \$2,500

(100 Combined Units)

Underwriter(s) or Distributor(s):

Research Capital Corp.

Promoter(s):

ONE Financial Corporation

Project #1306909/1306913

Issuer Name:

Penfold Capital Acquisition III Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated August 12, 2008
NP 11-202 Receipt dated August 13, 2008

Offering Price and Description:

\$600,000.00 - 3,000,000 Common Shares Price: \$0.20 per
Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

Gary M. Clifford

Project #1304189

Issuer Name:

AIM Canadian Dollar Cash Management Fund (formerly
AIM Trimark Canadian Dollar Cash Management Fund)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated August 11, 2008
NP 11-202 Receipt dated August 13, 2008

Offering Price and Description:

Select Series

Underwriter(s) or Distributor(s):

-

Promoter(s):

Invesco Trimark Ltd.

Project #1287849

Issuer Name:

PowerShares China ETF
PowerShares Emerging Markets Infrastructure ETF
PowerShares FTSE RAFI Developed Markets ETF
PowerShares FTSE RAFI Emerging Markets ETF
PowerShares Global Agriculture ETF
PowerShares Global Clean Energy ETF
PowerShares Global Water ETF
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated August 15, 2008
NP 11-202 Receipt dated August 18, 2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Philip Taylor
David Warren

Project #1306822

Issuer Name:

AIM Canadian Dollar Cash Management Fund (formerly
AIM Trimark Canadian Dollar Cash Management Fund)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated August 11, 2008
NP 11-202 Receipt dated August 13, 2008

Offering Price and Description:

Command Series

Underwriter(s) or Distributor(s):

-

Promoter(s):

Invesco Trimark Ltd.

Project #1287794

Issuer Name:

AIM Canadian Dollar Cash Management Fund (formerly
AIM Trimark Canadian Dollar Cash Management Fund)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated August 11, 2008
NP 11-202 Receipt dated August 13, 2008

Offering Price and Description:

Corporate Series

Underwriter(s) or Distributor(s):

-

Promoter(s):

Invesco Trimark Ltd.

Project #1287824

Issuer Name:

Union Gas Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Base Shelf Prospectus dated
August 15, 2008
NP 11-202 Receipt dated August 15, 2008

Offering Price and Description:

\$700,000,000.00 - Medium Term Notes (Unsecured)

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #1306615

Issuer Name:

AIM Canadian Dollar Cash Management Fund (formerly AIM Trimark Canadian Dollar Cash Management Fund)
AIM U.S. Dollar Cash Management Fund (formerly AIM Trimark U.S. Dollar Cash Management Fund)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated August 11, 2008
NP 11-202 Receipt dated August 13, 2008

Offering Price and Description:

Series I Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Invesco Trimark Ltd.

Project #1287771

Issuer Name:

Invesco Trimark Retirement Payout 2023 Portfolio (Series P units)
Invesco Trimark Retirement Payout 2028 Portfolio (Series P units)
Invesco Trimark Retirement Payout 2033 Portfolio (Series P units)
Invesco Trimark Retirement Payout 2038 Portfolio (Series P units)
Trimark Canadian Bond Private Pool of AIM Trimark Corporate Class Inc. (Series A, Series F, Series F4 and Series T4 shares)
Trimark Monthly Income Private Pool of AIM Trimark Corporate Class Inc. (Series A, Series F, Series F6, Series T4, Series T6 and Series T8 shares)
Trimark World Balanced Private Pool of AIM Trimark Corporate Class Inc. (Series A, Series F, Series T4, Series T6 and Series T8 shares)
Trimark Canadian Equity Private Pool of AIM Trimark Corporate Class Inc. (Series A, Series F, Series T4, Series T6 and Series T8 shares)
AIM Canadian Equity Growth Private Pool of AIM Trimark Corporate Class Inc. (Series A and Series F shares)
Trimark U.S. Equity Private Pool of AIM Trimark Corporate Class Inc. (Series A and Series F shares)
Trimark Global Equity Private Pool of AIM Trimark Corporate Class Inc. (Series A, Series F, Series T4, Series T6 and Series T8 shares)
Trimark Global Mid-Cap Equity Private Pool of AIM Trimark Corporate Class Inc. (Series A and Series F shares)
Trimark EAFE Equity Private Pool of AIM Trimark Corporate Class Inc. (Series A and Series F shares)
AIM EAFE Equity Growth Private Pool of AIM Trimark Corporate Class Inc. (Series A and Series F shares)
Trimark World Balanced Private Pool – Currency Neutral of AIM Trimark Corporate Class Inc. (Series A and Series F shares)
Trimark U.S. Equity Private Pool – Currency Neutral of AIM Trimark Corporate Class Inc. (Series A and Series F shares)

Trimark Global Equity Private Pool – Currency Neutral of AIM Trimark Corporate Class Inc. (Series A and Series F shares)

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated August 11, 2008
NP 11-202 Receipt dated August 13, 2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1287653

Issuer Name:

Beutel Goodman American Equity Fund
Beutel Goodman Balanced Fund
Beutel Goodman Canadian Dividend Fund
Beutel Goodman Canadian Equity Fund
Beutel Goodman Canadian Equity Plus Fund
Beutel Goodman Canadian Intrinsic Fund
Beutel Goodman Corporate/Provincial Active Bond Fund
Beutel Goodman Income Fund
Beutel Goodman International Equity Fund
Beutel Goodman Long Term Bond Fund
Beutel Goodman Money Market Fund
Beutel Goodman Small Cap Fund
Beutel Goodman World Focus Equity Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated August 15, 2008
NP 11-202 Receipt dated August 19, 2008

Offering Price and Description:

Class A, F and I Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Beutel Goodman Managed Funds Inc.

Beutel Goodman Managed Funds Inc,

Promoter(s):

-

Project #1293280

Issuer Name:

Chava Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated August 18, 2008
NP 11-202 Receipt dated August 19, 2008

Offering Price and Description:

\$200,000.00 - 2,000,000 Common Shares at a price of \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Wolverton Securities Ltd.

Promoter(s):

Aaron Keay

Darryl S. Cardey

Project #1286958

Issuer Name:

Colonnade Capital Corp.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated August 15, 2008
NP 11-202 Receipt dated August 19, 2008

Offering Price and Description:

\$250,000.00 - 2,500,000 Common Shares Price: \$0.10 per
Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Paul DesLauriers

Project #1296458

Issuer Name:

Epsilon Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated August 14, 2008
NP 11-202 Receipt dated August 14, 2008

Offering Price and Description:

\$35,000,000.00 - 5,600,000 Common Shares \$6.25 per
Common Share

Underwriter(s) or Distributor(s):

Clarus Securities Inc.
Cormark Securities Inc.

Promoter(s):

Zoran Arandjelovic
John Wilson
Kurt Portmann

Project #1300761

Issuer Name:

Series A, B, F and O Units of:
Fidelity Canadian Growth Company Fund
Fidelity Canadian Opportunities Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated August 11, 2008 to the Simplified
Prospectuses and Annual Information Forms dated
October 26, 2007
NP 11-202 Receipt dated August 13, 2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Fidelity Investments Canada ULC
Fidelity Investments Canada Limited

Promoter(s):

-

Project #1151911

Issuer Name:

frontierAlt Oasis Canada Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated August 15, 2008
NP 11-202 Receipt dated August 19, 2008

Offering Price and Description:

Series A, Series F and Series I Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Alt Oasis Funds Management Inc.

Project #1290116

Issuer Name:

Goldenfrank Resources Inc.
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated August 12, 2008
Mutual Reliance Review System Receipt dated August 13,
2008

Offering Price and Description:

\$3,000,000.00 - Minimum Offering: 15,000,000 Units:
\$6,000,000.00 - Maximum Offering: 30,000,000 Units
Price: \$0.20 per Unit Minimum Subscription: 500 Units

Underwriter(s) or Distributor(s):

Research Capital Corporation

Promoter(s):

Maurice Giroux

Project #1229918

Issuer Name:

Harmony Canadian Equity Pool (Wrap Series and Embedded Series Units)
Harmony Canadian Fixed Income Pool (Wrap Series and Embedded Series Units)
Harmony Money Market Pool (Wrap Series and Embedded Series Units)
Harmony Overseas Equity Pool (Wrap Series and Embedded Series Units)
Harmony U.S. Equity Pool (Wrap Series and Embedded Series Units)
Harmony Balanced and Income Portfolio (Wrap Series Embedded Series and Series T Units)
Harmony Balanced Growth Portfolio (Wrap Series and Embedded Series Units)
Harmony Balanced Portfolio (Wrap Series and Embedded Series Units)
Harmony Conservative Portfolio (Wrap Series and Embedded Series Units)
Harmony Growth Plus Portfolio (Wrap Series and Embedded Series Units)
Harmony Growth Portfolio (Wrap Series and Embedded Series Units)
Harmony Maximum Growth Portfolio (Wrap Series and Embedded Series Units)
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated August 11, 2008 to the Simplified Prospectuses and Annual Information Forms dated January 31, 2008

NP 11-202 Receipt dated August 14, 2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

AGF Funds Inc.

Project #1201199

Issuer Name:

Heritage Plans
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated August 11, 2008
NP 11-202 Receipt dated August 14, 2008

Offering Price and Description:

Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1286881

Issuer Name:

Impression Plan
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated August 11, 2008
NP 11-202 Receipt dated August 14, 2008

Offering Price and Description:

Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1286885

Issuer Name:

PharmaGap Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated August 14, 2008
NP 11-202 Receipt dated August 15, 2008

Offering Price and Description:

Minimum \$ 1,000,000.00, Maximum \$3,000,000.00 -
Minimum 6,666,667, Maximum 20,000,000 Equity Units
consisting of Common Shares and Warrants Price \$0.15
per Equity Unit

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Wellington West Capital Inc.

Promoter(s):

-

Project #1284029

Issuer Name:

Ra Resources Ltd.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated August 18, 2008
NP 11-202 Receipt dated August 18, 2008

Offering Price and Description:

Minimum Offering: \$1,500,000.00 or 3,000,000 Units;
Maximum Offering: \$2,500,000.00 or 5,000,000 Units \$0.50
PER UNIT

Underwriter(s) or Distributor(s):

Research Capital Corporation

Promoter(s):

-

Project #1269487

Issuer Name:

Sprott Small Cap Equity Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated August 18, 2008
NP 11-202 Receipt dated August 19, 2008

Offering Price and Description:

Series A , F and I Units

Underwriter(s) or Distributor(s):

Sprott Asset Management Inc.

Promoter(s):

-

Project #1290697

Issuer Name:

Mutual Fund Shares in Series A , B and C (unless otherwise indicated) of:
Stone & Co. Dividend Growth Class Canada (also Series F, T8A, T8B and T8C)

Stone & Co. Resource Plus Class of Stone & Co. Corporate Funds Limited

Mutual Fund Units in Series A , B and C (unless otherwise indicated) of:

Stone & Co. Flagship Growth & Income Fund Canada (also Series F, T8A, T8B and T8C)

Stone & Co. Flagship Stock Fund Canada (also Series F, T8A, T8B and T8C)

Stone & Co. Flagship Global Growth Fund (also Series F, T8A, T8B and T8C)

Stone & Co. Growth Industries Fund (also Series F)

Stone & Co. Flagship Money Market Fund Canada

Stone & Co. Europlus Dividend Growth Fund (also Series F, T8A, T8B and T8C)

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated August 14, 2008
NP 11-202 Receipt dated August 18, 2008

Offering Price and Description:

Mutual Fund Shares/Units in Series A, B, C, F, T*A, T8B and T8C @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1290833

Issuer Name:

Vaaldiam Resources Ltd.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated August 13, 2008
NP 11-202 Receipt dated August 14, 2008

Offering Price and Description:

Rights to Subscribe for Common Shares Subscription
Price: 2 Rights and \$0.15 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #1289356

Issuer Name:

Westport Innovations Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Base PREP Prospectus dated August 12, 2008

NP 11-202 Receipt dated August 14, 2008

Offering Price and Description:

U.S.\$ 54,000,000.00 - 4,500,000 Common Shares Price:
U.S.\$12.00 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

National Bank Financial Inc.

Promoter(s):

-

Project #1294248

Issuer Name:

Kingsmill Capital Ventures Inc.
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Prospectus dated April 30, 2008
Withdrawn on August 15, 2008

Offering Price and Description:

\$2,100,000 - 7,000,000 Common Shares
Price \$0.30 Per Common Share

Underwriter(s) or Distributor(s):

Jones, Gable & Company Limited

Promoter(s):

David Mitchell

Project #1259139

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Category	Bennington Investment Management Inc.	From: Limited Market Dealer & Investment Counsel & Portfolio Manager To: Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Counsel & Commodity Trading Manager	August 14, 2008

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Hearing Panel Approves Settlement Agreement with Evangeline Securities Limited

NEWS RELEASE
For immediate release

MFDA HEARING PANEL APPROVES SETTLEMENT AGREEMENT WITH EVANGELINE SECURITIES LIMITED

August 14, 2008 (Halifax, Nova Scotia) – A Settlement Hearing in the matter of Evangeline Securities Limited was held today before a Hearing Panel of the Atlantic Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”). The Hearing Panel approved the Settlement Agreement between the MFDA and Evangeline Securities Limited. The following is a summary of the Orders made by the Hearing Panel:

- A fine in the amount of \$10,000; and
- Costs in the amount of \$2,500

The Hearing Panel advised that it would issue written reasons in due course.

A copy of the Settlement Agreement with Evangeline Securities Limited 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 158 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

13.1.2 MFDA Sets Date for Marlene Legare Hearing in Vancouver, British Columbia

NEWS RELEASE
For immediate release

**MFDA SETS DATE FOR MARLENE LEGARE HEARING
IN VANCOUVER, BRITISH COLUMBIA**

August 18, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding in respect of Marlene Legare by Notice of Hearing dated June 12, 2008.

The first appearance in this proceeding took place today at 10:00 a.m. (Vancouver) before a 3-member Hearing Panel of the MFDA Pacific Regional Council.

The hearing of this matter on the merits has been scheduled to take place before a Hearing Panel of the Pacific Regional Council at 10:00 a.m. (Vancouver) on Monday, December 15, 2008 or as soon thereafter as the hearing can be held. The location of hearing will be announced at a later date.

The hearing will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA web site 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 158 members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:

Yvette MacDougall
Hearings Coordinator
(416) 943-4606 or ymacdougall@mfda.ca

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