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OSC Bulletin

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

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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

SEPTEMBER 12, 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
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20 Queen Street West
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Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

September 16, 2008 2:30 p.m.	**Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson** s. 127(1) and 127(5) M. Boswell in attendance for Staff Panel: WSW/MCH
September 17, 2008 10:00 a.m.	**AiT Advanced Information Technologies Corporation and Bernard Jude Ashe** s. 144 J. Waechter in attendance for Staff Panel: PJL/WSW/CSP
September 18, 2008 2:00 p.m.	**Rodney International, Choeun Chhean (also known as Paulette C. Chhean) and Michael A. Gittens (also known as Alexander M. Gittens)** s. 127 M. Britton in attendance for Staff Panel: WSW/ST
September 19, 2008 10:00 a.m.	**Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith** and **Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels** s. 127 M. Vaillancourt in attendance for Staff Panel: PJL/WSW/DLK

September 19, 2008 2:30 p.m.	**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: WSW/ST
September 22, 2008 10:00 a.m.	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 and 127.1 I. Smith in attendance for Staff Panel: ST/CSP/DLK
September 26, 2008 10:00 a.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: LER/MCH
September 30, 2008 2:30 p.m.	**Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester** s. 127 & 127.1 M. Boswell in attendance for Staff Panel: ST/DLK
October 7, 2008 10:00 a.m.	**Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan** s.127 H. Craig in attendance for Staff Panel: ST/MCH
October 8, 2008 10:00 a.m.	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 & 127(1) D. Ferris in attendance for Staff Panel: WSW/ST
October 17, 2008 9:00 a.m.	**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** s. 127(1) & (5) P. Foy in attendance for Staff Panel: JEAT/ST
October 17, 2008 9:00 a.m.	**Stanton De Freitas** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
October 17, 2008 9:00 a.m.	**David Watson, Nathan Rogers, Amy Giles, John Sparrow, Leasesmart, Inc., Advanced Growing Systems, Inc., The Bighub.com, Inc., Pharm Control Ltd., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co.** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
October 20, 2008 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 & 127(1) C. Price in attendance for Staff Panel: JEAT/MCH

October 27, 2008 10:00 a.m.	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s.127 P. Foy in attendance for Staff Panel: TBA
October 27, 2008 10:00 a.m.	**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.** s. 127(5) K. Daniels in attendance for Staff Panel: TBA
November 3, 2008 10:00 a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 M. Britton/M. Boswell in attendance for Staff Panel: TBA
November 11, 2008 2:30 p.m.	**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 M. Britton in attendance for Staff Panel: LER/ST
November 19, 2008 10:00 a.m.	**Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Bryan Bowles, Robert Drury, Steven Johnson, Frank R. Kaplan, Rafael Pangilinan, Lorenzo Marcos D. Romero and George Sutton** s. 127 C. Price in attendance for Staff Panel: JEAT/CSP
November 25, 2008 2:30 p.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: DLK/CSP
December 1, 2008 TBA	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
December 3, 2008 10:00 a.m.	**Global Energy Group, Ltd. and New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: TBA
January 5, 2009 TBA	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: TBA

January 12, 2009 10:00 a.m.	**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** s. 127 C. Price in attendance for Staff Panel: TBA
January 26, 2009 10:00 a.m.	**Darren Delage** s. 127 M. Adams in attendance for Staff Panel: TBA
February 2, 2009 10:00 a.m.	**Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling** s. 127(1) and 127.1 J. Superina/A. Clark in attendance for Staff Panel: TBA
March 23, 2009 10:00 a.m.	**Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
April 6, 2009 10:00 a.m.	**Gregory Galanis** s. 127 P. Foy in attendance for Staff Panel: TBA
April 20, 2009 10:00 a.m.	**Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester** s. 127 S. Horgan in attendance for Staff Panel: TBA
May 4, 2009 10:00 a.m.	**Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
September 21, 2009 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 S. Horgan in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s.127 K. Daniels in attendance for Staff Panel: TBA

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

s. 127

H. Craig in attendance for Staff

Panel: JEAT/MC/ST

TBA **Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney**

s. 127

J. Superina in attendance for Staff

Panel: PJL/ST/DLK

TBA **Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries**

s. 127 & 127.1

M. Britton in attendance for Staff

Panel: JEAT/MCH

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

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

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

ADJOURNED SINE DIE

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 OSC Staff Notice 51-706 – Corporate Finance Branch Report 2008

OSC Staff Notice 51-706 – *Corporate Finance Branch Report 2008* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Report.

ONTARIO SECURITIES COMMISSION

OSC

OSC Staff Notice 51-706

Corporate Finance Branch Report 2008

Contents

ONTARIO SECURITIES COMMISSION

OSC

1. Introduction

This report summarizes the operational activities of the Corporate Finance Branch (the Branch or we) during the 2008 fiscal year. As well, we highlight specific initiatives that we have undertaken this year in furtherance of the Ontario Securities Commission's (OSC) strategic goals. The report also discusses other issues and findings that we believe will be of interest to issuers and their advisors.

The Corporate Finance Branch is responsible for monitoring compliance with securities laws by public companies. In particular, our prospectus and continuous disclosure (CD) review programs are an integral part of how we regulate.

The Branch is primarily responsible for approximately 1,100 reporting issuers with head offices in Ontario. This year, we performed 452 CD reviews and 633 offering document reviews, along with processing 432 applications for exemptive relief. Compared to prior years, we completed a significantly higher number of targeted CD reviews. This increase was due to our decision to give special attention to issuer's compliance with the new financial instruments standards introduced by the Canadian Institute of Chartered Accountants (CICA), which impacted all reporting issuers.

We also reviewed issues related to environmental reporting, stock option granting practices and asset-backed commercial paper (ABCP).

Our operational results are described in more detail throughout our report.

This report also discusses a number of other results from our offering document reviews and applications considered, such as eligibility of designated foreign issuers for short form treatment, the meaning of the terms "beneficial ownership" and "control or direction", along with general prospectus requirements for junior issuers.

This year, we added a new section in the report called "Current Priorities". This section highlights our plans for the coming year for policy work, potential targeted reviews and other national initiatives.

We look forward to an exciting year ahead and working together to accomplish our plans.

2. Meeting the OSC's goals

The OSC's Statement of Priorities for the 2008 fiscal period identified four strategic goals to achieve for the next five fiscal years.

The Branch looks to these goals to direct and prioritize operational activities and policy initiatives for each fiscal year. Our report highlights some of the actions that we have taken in support of these goals.

OSC Goals

Goal #1
Identify the important issues and deal with them in a timely way.

Goal #2
Deliver fair, vigorous and timely enforcement and compliance programs.

Goal #3
Champion investor protection, especially for retail investors.

Goal #4
Support and promote a more flexible, efficient and accountable organization.

ONTARIO SECURITIES COMMISSION

OSC

3. Operational programs

Goal #2

Deliver fair, vigorous and timely enforcement and compliance programs.

We promote compliance with securities regulatory requirements through our comprehensive on-going review programs. We have review programs for CD documents and offering documents to determine, to the extent reasonably possible within the scope of the review conducted, whether issuers are complying with their obligations under securities law. We also review applications for relief.

3.1 Profile of reporting issuers

There are approximately 4,200 reporting issuers (other than investment funds) in Ontario. We have primary responsibility as principal regulator for approximately 1,100 reporting issuers with head offices in Ontario. These issuers represent $696 billion, or 34%, of Canada's $2.05 trillion market capitalization.

The chart below shows the percentage market capitalization of reporting issuers by industry and the number of reporting issuers in each industry. The three largest industries by percentage market capitalization are banking and insurance, mining, and technology.

The three largest industries by number of reporting issuers are mining, retail/services/manufacturing and technology.

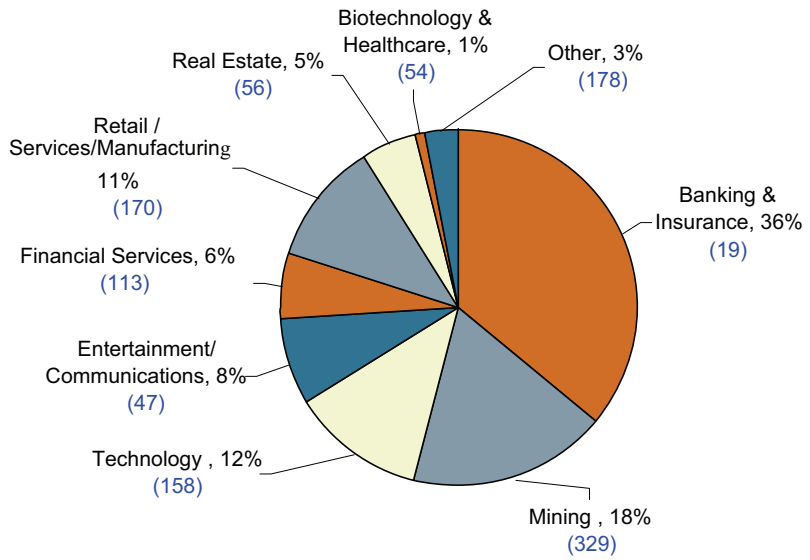
3.2 Our continuous disclosure (CD) review program

We completed 452 CD reviews this year, consisting of 123 full reviews[1], 73 issue-oriented reviews and 256 targeted reviews.

This year we performed targeted reviews on:

- financial instruments disclosure to assess the implementation of the CICA's new accounting standards effective for fiscal years beginning on or after October 1, 2006
- environmental disclosure
- the presentation, disclosure and valuation of non-bank ABCP in financial statements and MD&A
- the timing of stock option grants

Industry Breakdown*



* By Ontario market capitalization percentage and number of issuers as at March 31, 2008.

[1] The reviews we refer to as "full reviews" are broader than issue-oriented reviews, and cover more areas of disclosure.

The chart below shows the composition of reviews performed over the past three fiscal years. In fiscal 2008, our total number of CD reviews increased significantly from the prior two years due to a higher level of targeted reviews. This increase was in direct response to the CICA's new financial instruments standards. Overall, our level of full and issue-oriented reviews remained fairly comparable with the previous two years.

Number of CD reviews completed by year

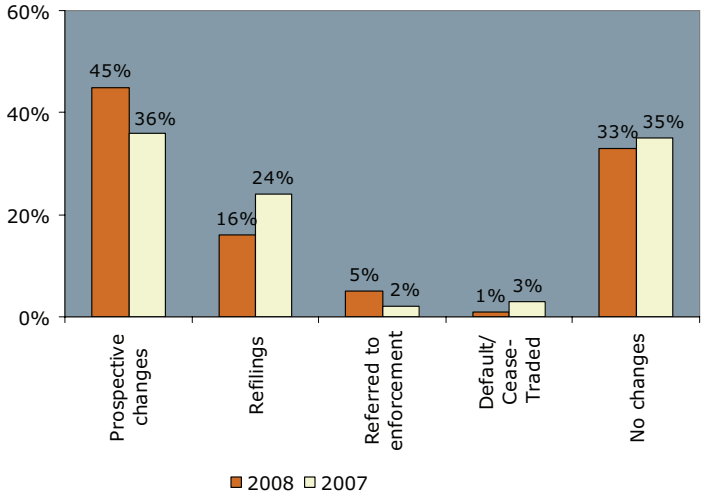
	2008	2007	2006
Full	123	126	142
Issue-Oriented	73	97	90
Targeted	256	163	118
Total	452	386	350

Outcomes of our reviews

There are five categories of possible outcomes from a CD review (prospective changes, refilings, referred to enforcement, default list and cease trade orders and no changes). We characterize the outcome of each CD review based upon the nature and severity of the deficiencies identified, if any. More than one outcome can be associated with a particular file.

We monitor outcomes each year to assess overall compliance and to identify areas to focus on in future reviews. In fiscal 2008, 67% of our CD reviews resulted in an outcome requiring a change by the issuer or follow up by the OSC. This is consistent with the prior year.

CD review outcomes



Prospective changes
The majority of our outcomes in fiscal 2008 were commitments by reporting issuers to enhance some aspect of their disclosure in future CD filings. A significant number of these commitments related to improvements in financial instrument disclosure. Other disclosure enhancements included improvements to MD&A and clarification of accounting policies.

We selectively monitor these commitments to confirm that the disclosure enhancements have been appropriately addressed.

Refilings
In 16% of our reviews this year, we identified filings that were so deficient that the issuers were required to restate and refile materials, to make retroactive changes or to file material that had not previously been filed. Our approach to refilings is described in OSC Staff Notice 51-711 *List of Refilings and Corrections of Errors as a Result of Regulatory Reviews.* As set out in that notice, we view such refilings and retroactive accounting changes as significant events. Where a reporting issuer makes a refiling or retroactive accounting change as a result of our review, the name, date of refiling and a description of the deficiency is posted on our Refilings and Errors list (available at www.osc.gov.on.ca) for three years. This year, the majority of refilings related to deficient MD&A, non-compliance with both Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and with the CICA's new financial instruments standards. The majority of fiscal 2007 refilings related to non-compliance with Multilateral Instrument 52-109.

Referred to Enforcement
In fiscal 2008, 5% of the issuers reviewed resulted in referrals to the Enforcement Branch for further action.

Default list and cease trade orders
If an issuer's CD documents have key deficiencies, we will consider the issuer to be in default of securities law and the issuer's name will be placed on the OSC's default list.

In fiscal 2008, we issued 97 cease trade orders relating to CD deficiencies, which is consistent with the 104 cease trade orders issued in the previous year. The majority of cease trade orders related to failure to file required annual or interim financial statements or MD&A. In some cases, cease trade

orders were issued because of failure to file other required documents, such as a business acquisition report or mining technical report.

No changes
In fiscal 2008,150 of the issuers we reviewed did not have to make any changes to their CD documents or make additional filings. This level is consistent with the prior year.

3.3 Reviews of offering documents

In the 2008 fiscal year, we reviewed 633 prospectuses and rights offering circulars, compared to 584 in 2007. The following chart shows the type of offering document reviews performed over the past three years.

Type of reviews completed of offering documents

	2008	2007	2006
Basic	450	403	394
Full	94	88	89
Issue-Oriented	89	93	60
Total	633	584	543

During the 2008 fiscal year, we completed 94 full reviews, which consisted of 19 short form offerings, 51 long form offerings and 24 rights offerings.

We completed 89 issue-oriented reviews, which consisted of 86 short form offerings and 3 long form offerings. The number of full and issue-oriented reviews is consistent with the 2007 fiscal year.

Outcomes of our reviews

Similar to CD reviews, there are a number of possible outcomes from an offering document review and more than one outcome can be associated with a particular file. Listed below are the possible outcomes from an offering document review. We only track outcomes of full and issue-oriented reviews.

Material Disclosure Changes
A significant number of our reviews in fiscal 2008 resulted in material disclosure changes. This year, 46% of the outcomes related to disclosure changes compared to 36% in the prior year. A disclosure improvement could be in respect of an accounting, legal or other disclosure requirement. This year, a number of these changes related to MD&A, disclosure of risk factors and use of proceeds.

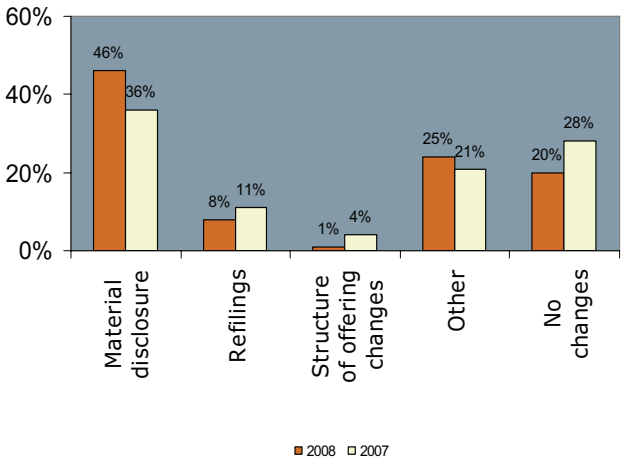
Refilings
This outcome relates to the correction and refiling of significantly deficient documents that an issuer incorporates by reference into a short form prospectus. In particular, a number of technical reports and MD&A disclosure documents were corrected and refiled.

Structure of offering changes
This outcome refers to any situation where, as a result of our review or changes in market conditions, an issuer is required to change the structure of its offering. This occurred in only 1% of the outcomes in this fiscal year, compared to 4% in the prior year.

Other
This category includes outcomes that do not result in a change to an issuer's filings but which are significant to our mandate in other ways. These outcomes include policy or procedural enhancements implemented by the issuer as a result of our review and referrals to enforcement. In some cases, we entered into detailed discussions with the issuer that we believe will be of ongoing value in sensitizing the issuer to our expectations. These outcomes also include matters that enhanced our knowledge of the market as a whole or raised new policy issues. This year, 25% of total outcomes were classified in this category, as compared to 21% in the prior year.

No changes
In fiscal 2008, 20% of the prospectus and rights offering reviews resulted in no significant changes, which is down from the previous year.

Offering document review outcomes



3.4 Applications

In fiscal 2008, we reviewed 432 applications for exemptive relief, compared to 459 in 2007 and 448 in 2006.

Applications filed in Ontario only, or in multiple jurisdictions where Ontario was principal regulator, accounted for approximately 70% of the total applications received. This was consistent with the previous fiscal year.

The applications requested a variety of exemptive relief. Approximately 44% of the applications were for orders not to be a reporting issuer. Other common applications included relief from one or more take-over bid requirements (8%) and for relief from certain CD obligations (7%).

We continue to monitor the types of applications we receive and the exemptive relief granted to determine whether we should consider changes to our rules or policies.

4. Discussion of operational results

This section describes the operational results from our review programs. We also discuss certain issues that have arisen from exemptive relief applications.

Goal #1

Identify the important issues and deal with them in a timely way.

4.1 Summary of industry group results

This summary discusses issues that predominate across all industry sectors, followed by industry specific results.

Management's discussion and analysis (MD&A)

The objective of MD&A is to improve an issuer's overall financial disclosure by providing an analytical and balanced discussion of its results of operations and financial condition. This requires that bad news be reported as openly as good news.

The development of MD&A should begin with management identifying and evaluating information that would give investors an accurate understanding of the issuer's current and prospective financial position and operating results, including the potential effects of known trends, commitments, events and uncertainties.

We remind issuers that disclosure must be both useful and understandable. Management should provide the most relevant information in language and formats that investors can be expected to understand. Issuers should also be aware that investors would find it helpful if information relating to a particular matter is disclosed in one place in the MD&A.

While the quality of MD&A has improved significantly in recent years, we continue to find common deficiencies in the following areas:

Liquidity and capital resources
Investors are becoming increasingly concerned about the adequacy of disclosure on liquidity and capital resources. When discussing liquidity and capital resources in the MD&A, many issuers provide general statements such as "have adequate working capital to fund operations" or "have adequate cash resources to finance future foreseeable capacity expansions".

These kinds of statements are not adequate to meet the requirements of Form 51-102F1 *MD&A*. This Form requires that an issuer provide an analysis of its liquidity, including its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, as well as a discussion of any trends or fluctuations that may affect its liquidity. The Form also requires a quantified and analytical discussion of both the company's financial resources and its financial commitments.

In addition, material risks associated with an issuer's principal source of liquidity should be identified and disclosed. For example, fluctuations in operating cash flow may result from rapid technological change or a change in customer demand for the issuer's products. Similarly, an issuer's debt facilities could be adversely affected by a deterioration in the issuer's financial ratios or other measures of financial performance.

While the discussion should be limited to material risks, it should be sufficiently detailed to convey the significance of the risks to the issuer. "Boilerplate" disclosure is unacceptable and, if used, may result in a requirement for a restatement.

Results of operations
Issuers often provide a brief analysis of results of operations that is not quantified. Issuers should provide a detailed, analytical and quantified discussion of the various factors that affect revenues and expenses. Otherwise, a prospective investor cannot:

- assess how a given factor could affect the issuer's operations
- readily perform trend or margin analysis or
- assess the quality and potential variability of an issuer's earnings

Risks and uncertainties, related party transactions and changes in accounting policies
A significant number of issuers include cross-references in their MD&A to the Annual Information Form (AIF), financial statements or another document.

We remind issuers that MD&A must be a self-contained document that complements and

supplements the financial statements. Simply incorporating by reference disclosure from the financial statements and/or AIF may not satisfy the MD&A requirements.

Financial statements

We have summarized below common disclosure and measurement deficiencies in financial statements we reviewed during fiscal 2008.

Premature recognition of revenue
Several issuers prematurely recognized revenue in situations where transactions did not meet all of the recognition criteria set out in CICA Handbook (HB) Section 3400 *Revenue*.

In one case, an issuer recognized revenue where the substance of the transaction was essentially a consignment rather than a sale. In another case, an issuer recorded revenue related to goods that were immediately repurchased by the issuer. Upon examination, it was evident that the risks and rewards of ownership of the asset remained with the issuer and, therefore, the revenue should not have been recognized.

Issuers that recognized revenue inappropriately were required to restate their financial statements.

Revenue recognition policy disclosure
Several issuers did not provide adequate disclosure of revenue recognition policies in accordance with Emerging Issues Committee (EIC) 141 *Revenue Recognition*, EIC 142 *Revenue Arrangements with Multiple Deliverables* and EIC 143 *Accounting for Separately Priced Extended Warranty and Product Maintenance Contracts*. In particular:

- If an issuer has different policies for different types of revenue transactions, including non-monetary (barter) sales, the policy for each material type of transaction should be disclosed.

- If sales transactions have multiple elements, such as a product and service, the issuer should clearly state the accounting policy for each element, how multiple elements are determined and valued, and the description and nature of these arrangements, including performance, cancellation, termination or refund-type provisions.

Many issuers were required to revise or enhance their disclosure of revenue recognition policies in order to provide greater clarity to financial statement users.

Stock-based compensation and volatility
We found several instances of issuers adopting different methods of calculating expected volatility to establish stock option expense. Some methodologies did not consider the factors outlined in the Appendix to CICA HB Section 3870 *Stock-based compensation and other stock-based compensation payments* and, as a result, these expenses were understated. For example, reporting issuers calculated historical volatility of the stock over the most recent period that was not commensurate with the option's expected life.

Intangibles
Issuers in certain industries included intangibles such as land use rights and plantation rights on their balance sheets. There does not seem to be a standard meaning ascribed to these assets and it is sometimes unclear how these assets are valued. We encourage issuers to clearly explain what the asset consists of, how value is attributed to the asset and the basis for amortizing the asset.

Cash and cash equivalents
Given the focus on ABCP and liquidity brought about by the global credit market environment, we focused on issuer's disclosure related to cash and cash equivalents. We found that a significant number of issuers did not disclose the components of cash and cash equivalents, the extent to which their use was restricted or the related policies for determining their composition. These disclosures are required by CICA HB Section1540 *Cash flow statements.*

Banking

We continued to focus on the banking sector throughout the 2008 fiscal year. In particular, we conducted targeted reviews relating to current market conditions. While exposures varied significantly by issuer, our reviews targeted the accounting and disclosure of bank-sponsored conduits and the impact of the non-bank ABCP market, exposures related to the US subprime mortgage market and other structured credit products, and exposure to US financial guarantors.

Over the past few quarters, the banking sector has provided further disclosures in continuous

disclosure filings and on bank websites in the following areas:

- *Higher risk financial instruments.* This includes securities with exposure to the US residential mortgage market, collateralized loan obligations, commercial mortgage backed securities and non-bank ABCP holdings. Increased disclosure included notional exposure, tranche, nature of underlying assets, credit ratings and the financial impact of fair value by type of security.

- *Hedging of financial instruments.* Disclosure of exposure to US financial guarantors and other counterparties, credit related valuation adjustments and counterparty ratings.

- *Off-balance sheet conduits and special purpose entities***.** Disclosure of the categories and ratings of assets a bank sponsored conduit holds, support provided to off-balance sheet entities, conduit funding and liquidity issues related to market conditions.

Also, important for this industry is quantitative and qualitative disclosure on how fair values of financial instruments are determined in the absence of quoted market prices. This information should be provided in sufficient detail to allow a reader to understand how the issuer arrived at its valuation and the measurement uncertainty associated with the valuation.

Mining

The mining industry is currently facing a broad range of challenges, including the impact of an uncertain economy, political instability in several resource rich countries, enhanced environmental standards and the impending adoption of IFRS. Many of these challenges are exacerbated by the large number of small issuers who have limited access to knowledgeable advisors and have not yet developed in-house expertise in certain highly technical areas.

To assist issuers in meeting their regulatory responsibilities in the face of these challenges, we will continue to highlight areas of concern at various mining conferences and workshops. These include the appropriate measurement of stock option expense, the use of non-GAAP financial measures and the valuation of mining properties.

Other areas of concern continue to be deficiencies in technical disclosure, which is a critical component of a mining company's overall disclosure. The objective of the technical report is to provide a summary of scientific and technical information concerning mineral exploration, development and production activities on a mineral property that is material to an issuer. While we noted some improvements in technical disclosure over the 2007 fiscal year, we continue to find the following common deficiencies:

- Failure to name the qualified person responsible for written scientific and technical information in documents such as MD&A, AIF and websites, as required by section 3.1 of National Instrument 43-101.

- Certificates and consents of qualified persons preparing technical reports are often missing or are deficient or non-compliant. We refer issuers to sections 8.1 and 8.3 of National Instrument 43-101 for guidance in this area.

- Multiple projects or mineral deposits on the same projects are subject to multiple technical reports. Technical reports must be based on all relevant material scientific and technical information relating to the property as of the date of the filing of the report. Consequently, multiple projects within a single property must be discussed in a single property-wide technical report.

Manufacturing and retail

The manufacturing and retail sectors face similar challenges in today's market, including inventory management, foreign exchange exposure, the price of raw materials, increased domestic and foreign competition (including the presence of US big box stores) and supply chain management.

The particular challenges faced by issuers in these sectors and the unique attributes of the manufacturing and retail industries highlight certain areas of risk in their financial disclosure. For example, because retail and manufacturing issuers often have revenues and expenses that are denominated in US dollars, they are exposed to foreign currency changes and they may rely on hedging or derivatives to reduce this exposure. In addition, both industries face significant risk of inventory obsolescence that may raise questions relating to the valuation of inventory.

Many manufacturing companies may also have significant intangible assets that give rise to valuation questions. In addition, these companies possibly have revenue recognition concerns relating to long term contracts with specific deliverables.

In conducting our reviews of issuers in these industries, we have targeted these high risk disclosure matters as they are likely subject to significant investor focus.

In fiscal 2008, we found common deficiencies in the following areas:

- deficient disclosure in the notes to the financial statements on the accounting policy for inventory valuation and impairment/write-down provisions
- concerns related to revenue recognition
- issues with MD&A disclosure, specifically relating to inadequate discussion and analysis of overall performance, liquidity, and financial condition

Issuers were required to include prospective disclosure enhancements in the notes to the financial statements and the MD&A. In addition, we are continuing to monitor revenue recognition and inventory practices.

Real estate

Given the downward economic trends in North America in recent months, valuations of income producing properties and rental income from these properties tend to be the two main areas of investor focus for issuers in the real estate industry.

We understand that the tightening of the credit market following the worldwide credit crunch is making it more difficult and more expensive for issuers to raise short-term facilities for acquisitions or construction and the development of new projects. We expect issuers to provide full disclosure and analysis in their MD&A liquidity sections on how they have been impacted by the global credit market environment. To the extent that existing debt, such as mortgage renewals, has been or will be affected, issuers should explain how they intend to address the problem.

We also continue to observe issuers using funds from operations (FFO) in their disclosure documents as a measure of cashflow. CSA Staff Notice 52-306 *Non-GAAP Financial Measures* states that a non-GAAP financial measure should be reconciled to the most comparable GAAP measure. Therefore, when an issuer uses FFO as a cashflow measure, we believe that it is fairly presented only when reconciled to cash flows from operating activities as presented in the issuer's financial statements.

Entertainment and communications

The entertainment and communications industries include a diverse population of reporting issuers that are subject to various risks depending on their particular business. In recent years, these industries have undergone a general consolidation through acquisitions. Given the restructuring of issuers in these industries, we continue to focus our attention on instances where there may be a potential impairment of an issuer's goodwill or intangible assets and examining the quality of discussion related to non-GAAP financial measures.

The consolidation in these industries has also resulted in some issuers diversifying the products they currently deliver, or developing new products for new or emerging markets. Disclosures of revenue recognition policies continue to provide insufficient information about how an issuer records revenue. In addition, discussions of the results of operations frequently fail to show how critical estimates in the revenue recognition process affect an issuer's results from operations.

4.2 Summary of targeted review results

Financial instruments

Almost all reporting issuers were affected by the new financial instruments accounting standards that became effective for fiscal years starting on or after October 1, 2006. These standards include CICA HB Section 3855 *Financial Instruments - Recognition and Measurement*, Section 3865 *Hedges*, Section 3861 *Financial Instruments - Disclosure and Presentation* and Section 1530 *Comprehensive Income*.

The new standards are premised on fair value being the most relevant measure for financial instruments and the only relevant measure for derivatives. Implementation of the new standards required issuers to examine and classify their financial instruments into five main categories: held for trading, held to maturity, loans and receivables, available for sale and other financial liabilities. This affects the measurement basis used and the presentation of gains and losses.

We conducted a targeted review focusing on reporting issuers' implementation of these new standards. We observed that the classification of financial instruments, even among issuers in similar industries, varied based on whether the issuer intended to hold or sell the instrument and its risk strategies. This makes comparing financial results of similar issuers more challenging and highlights the need for meaningful disclosure.

The common deficiencies relating to the implementation of financial instruments were as follows:

- *Insufficient disclosure.* Some issuers did not adequately disclose the adoption of the new standards in their financial statements and MD&A or provide sufficient disclosure related to fair value.

- *Measurement at cost, not fair value*. Several issuers continued to carry investments on their balance sheet at cost. They did not record investments at fair value as required, with the corresponding gains and losses recorded as net income or other comprehensive income, depending upon the appropriate classification.

- *Incorrect presentation of foreign exchange translation gains and losses of a self-sustaining foreign operation.* In accordance with CICA HB Section 1530, these gains and losses are no longer presented as a cumulative translation adjustment on the balance sheet. They must be recognized in a separate component of other comprehensive income.

- *Embedded derivatives or derivatives not identified.* Some issuers failed to identify and measure derivatives upon inception of contracts or to perform a review of embedded derivatives within their contracts, which is necessary to consider bifurcation of the financial instrument.

In approximately 20% of the cases reviewed, the deficiencies were so severe that the issuers were required to restate their financial statements to correctly reflect the adoption of the new accounting standards.

The majority of the remaining reviews resulted in prospective changes to address the above deficiencies.

In light of these outcomes, we will continue to focus on financial instruments as part of our CD review program in the 2009 fiscal year.

Environmental reporting

Investors are increasingly taking environmental matters into account in making investment decisions. We reviewed the filings of 35 issuers in Ontario to assess compliance with CD requirements and the adequacy of disclosure of such matters as financial liabilities related to the environment, asset retirement obligations and the financial and operational effects of environmental protection requirements. We also considered whether information contained in the websites of these issuers was consistent with the environmental disclosure in their CD documents.

We found several areas of deficient disclosure, including the disclosure of environmental liabilities and risks. The information provided by issuers was often boilerplate and did not provide meaningful information to investors. OSC Staff Notice 51-716 *Environmental Reporting* provides additional detail and summarizes the results of our targeted review. The Notice also provides guidance for issuers to consider when discussing environmental matters in their CD documents.

Non-bank sponsored asset backed commercial paper (ABCP)

The freeze in the market for non-bank sponsored ABCP has implications for reporting issuers who sponsor ABCP programs, issuers who hold investments in ABCP and other issuers indirectly impacted by the prevailing global credit market environment.

Reviews were conducted across the CSA of issuers that held a material amount of non-bank ABCP. The reviews focused on valuation in an

illiquid[2] market and disclosure of the non-bank ABCP in financial statements and MD&A.

Determination of fair value
One of the main issues affecting holders of non-bank ABCP was how to determine the fair value of their holdings. Under generally accepted accounting principles (GAAP), issuers must estimate fair value despite uncertainties, lack of information or a restructuring taking place. Fair value must be estimated using an appropriate valuation technique relying on observable inputs or, in the absence of observable inputs, inputs generated by the issuer.

A valuation technique must consider what a willing buyer would pay a willing seller, taking into account all relevant factors including credit risk, liquidity risk, time value, lack of transparency and other product specific risks. Although various valuation methods are acceptable under GAAP, the method must reflect how the market could be expected to price the security. Issuers who did not take into account appropriate factors when determining fair value of non-bank ABCP holdings were asked to restate their financial statements.

Financial instrument disclosures
Because of the market uncertainty associated with ABCP holdings and the significant judgment involved in determining fair market value, full and transparent financial statement disclosure was essential in understanding the impact of these holdings to the issuer and how the issuer arrived at its valuation. The disclosure requirements for financial instruments are outlined in CICA HB Section 3862 *Financial Instruments - Disclosures* and Form 51-102F1 *MD&A*, Item 1.14, financial instruments and other instruments.

Many issuers were asked to provide further disclosure in future filings on the methods and assumptions used to determine fair market value and the impact of non-bank ABCP holdings on the issuer's ability to meet cash needs and planned growth objectives.

Stock options backdating

Options backdating generally describes the act of changing the actual option grant date to an earlier date, when the market price of the underlying stock was lower (resulting in a more favourable exercise price). A related issue involves timing the grant of stock options based on expectations of stock price movements.

We reviewed the timing of option grants as part of our CD review program. These reviews were a significant element of the targeted review program for fiscal 2008, resulting in a number of investigations by the Enforcement Branch.

4.3 Other results

This section highlights other recurring issues or deficiencies we have identified through our operational programs.

Eligibility of designated foreign issuers for short form prospectus distributions

We reviewed a number of short form prospectuses filed under National Instrument 44-101 *Short Form Prospectus Distributions* by designated foreign issuers to assess whether such issuers satisfied the requirement to include full, true and plain disclosure in a prospectus.

Under this requirement, issuers that file a short form prospectus may need to include quarterly financial information. It remains an open issue whether a short form prospectus filed by a designated foreign issuer that includes only half year and annual financial statements can satisfy this requirement, despite the fact that the issuer is qualified to file a short form prospectus. On a case by case basis, additional, or more current, financial information may be required.

Application for relief from CD requirements while subject to a compulsory acquisition

We have received several inquiries about the availability of relief from the requirement to file financial statements and related documents pending the completion of a compulsory acquisition under corporate law.

We are generally receptive to an application for relief in these circumstances, subject to the following:

- The filer will have no other securities, including debt securities, outstanding following completion of the compulsory acquisition.
- The filer has taken all actions required to make the compulsory acquisition inevitable.

[2] The Accounting Standards Board also provided guidance on accounting issues related to ABCP in three Financial Reporting Commentaries dated October 29, 2007, January 18, 2008 and April 18, 2008.

- The application clarifies the shareholder rights that are affected. For example, the filer should disclose any agreements or arrangements with shareholders regarding fair value or releasing claims.

- The filer will take any action required to complete the acquisition as soon as possible to minimize the period in which financial information will not be available to investors.

- By way of press release or bid documentation, the filer provides advance notice of the application for the requested relief in order to give affected shareholders the opportunity to come forward.

- The relief is limited to specific periodic filings (i.e. financial statements, MD&A and certificates) and does not extend to other CD obligations.

Underwriters' over-allocation position and stabilization

We note that a number of preliminary prospectuses filed after March 17, 2008 do not comply with the new requirements in Form 41-101F1 and Form 44-101F1 relating to underwriters' over-allocation positions and stabilization. We remind issuers, underwriters and their counsel to address these requirements specifically when drafting a preliminary prospectus and to update the disclosure before filing the final prospectus.

For example, we expect to see disclosure if the underwriters expect the offering to be over-subscribed, thereby creating an over-allocation position. If the final prospectus discloses the anticipated size of the over-allocation position, issuers may include cautionary language that sales cannot be confirmed until the delivery of a final prospectus and that purchasers are entitled to subsequently exercise statutory rights of rescission.

We also expect to see disclosure on how stabilization transactions are expected to affect the price of the securities. For example if, following the closing of the offering, the market price of the securities is expected to be below the offering price, the short position created by the over-allocation position may be filled through purchases in the market, creating upward pressure on the price of the securities. This expectation should be disclosed in the prospectus.

National Instrument 41-101 – general prospectus requirements specific to junior issuers

Under National Instrument 41-101, in order to provide investors with adequate disclosure about junior issuers (as defined), there are certain additional disclosure requirements that apply. These requirements include enhanced disclosure on the use of proceeds, MD&A, and management's background and relevant experience.

We have noted that junior issuers often fail to include the additional required disclosure. We remind junior issuers that we consider this to be fundamental information for investors in making an informed investment decision.

Applications for exemptive relief - exchange discounted normal course issuer bid (NCIB) purchases

Section 101.2 of the *Securities Act* (Ontario) (the Act) provides an exemption from the formal bid requirements for an issuer bid that is made in the normal course through the facilities of the TSX if the issuer bid is made in accordance with the TSX rules.

A number of issuers have applied for exemptive relief to conduct certain NCIB purchases at a discount to the closing market price at the time of each proposed purchase. As a result of the discounted purchase price, the proposed purchases cannot be made through the TSX trading system and, therefore, will not be made through the facilities of the TSX for purposes of section 101.2 of the Act.

We will consider the following factors when recommending exemptive relief:

- Whether all relevant terms of the proposed purchases are specifically determined and known by the issuer (i.e. dates, timing, parties, number of shares to be sold, etc.).

- When and how the shares to be sold were acquired by the selling shareholder (i.e. whether the selling shareholder accumulated blocks of shares simply for the purposes of using the TSX's block purchase exception and/or simply for arbitrage purposes).

- The discount to the closing market price and the last independent trade of a board lot of the subject shares at the time of each proposed purchase.

- Whether the issuer and the selling shareholder are aware of any undisclosed material change or any undisclosed material fact in respect of the issuer at the time of each proposed purchase.

- Whether there has been notification to the TSX, compliance with requirement by the TSX Company Manual for the block purchase exceptions and the issuance of a press release by the issuer.

Applications for exemptive relief - vendor placements

In the context of a cross-border securities exchange take-over bid, a bidder may propose to employ a third party to sell the securities of the bidder that tendering foreign target shareholders would otherwise be entitled to receive under the offer and then deliver the proceeds, less expenses, to such target shareholders. These arrangements are commonly referred to as "vendor placements".

When a formal securities exchange take-over bid is made, the bidder must offer identical consideration to all holders of the same class of securities. If a vendor placement is involved, exemptive relief from the identical consideration requirement is needed since non-Canadian target shareholders will receive cash proceeds from the vendor placement sales while Canadian target shareholders will receive the bidder's securities. Exemptive relief from the identical consideration requirement has been granted to enable an offeror to extend the offer to non-Canadian offeree shareholders through a vendor placement. Factors that we will consider in recommending such exemptive relief include the following:

- the percentage of non-Canadian ownership in the target (registered and beneficial) and the source of this ownership information (in particular, for unsolicited bids)

- the percentage of the bidder's securities post-transaction to be sold under the vendor placement
- the liquidity of the bidder's securities following completion of the vendor placement
- the timeliness of the proposed vendor placement process

- the reliance on, and availability of, registration exemptions under foreign securities laws

5. Developing issues

Recent cases of interest interpreting the terms "beneficial ownership" and "control or direction"

We routinely receive pre-files, applications and public enquiries that raise questions on the meaning of the terms "beneficial ownership" and "control or direction" in Ontario securities law. The Commission has recently issued a number of decisions that have considered these terms both in the context of early warning requirements for take-over bids and insider reporting requirements for trusts.

Compliance with early warning requirements
In the recent Sears Canada[3] decision, the Commission considered whether a number of hedge funds that had opposed a proposed offer and going private transaction had complied with the early warning requirements. Although the Commission decided that there was no evidence of abusive market behaviour, they concluded that there "might well be situations, in the context of a take-over bid, where the use of swaps to park securities in a deliberate effort to avoid reporting obligations under the Act and for the purpose of affecting an outstanding offer could constitute abusive conduct sufficient to engage the Commission's public interest jurisdiction".

We are aware of a number of recent studies[4] that identify this and similar strategies as having been adopted by sophisticated investors to accumulate substantial economic positions in an issuer without public disclosure. These investors then convert their positions into voting positions at an opportunistic time. As a result, a number of international jurisdictions have introduced additional disclosure-based reforms.

We are presently reviewing a number of issues relating to the potential use of derivatives to avoid early warning requirements and similar securities law requirements based on the concepts of beneficial ownership and control or direction.

Trusts and Insider Reporting
The Commission has had a number of opportunities recently to consider whether an insider has "control or direction" over securities held in a trust[5].

We will consider all of the facts and circumstances surrounding the creation and management of a trust in determining this question. These include:

- trust documentation
- whether the person is a settlor or beneficiary of the trust
- how the decisions of the trust are made
- the business conducted by the trust
- the level of involvement the person has in the affairs of the trust (e.g. making suggestions to the trustee(s) of the trust)
- whether the person has trading authority over securities in the trust

In addition, the Commission reaffirmed its earlier position that a person or company has "control or direction" where the person directly or indirectly has or shares (a) voting power or power to direct the voting of securities, or (b) investment power, including the power to acquire, dispose or direct the acquisition of securities.

Peer-to-peer lending websites

Peer-to-peer lending websites generally facilitate the matching of individual borrowers and individual lenders. We have received inquiries on launching peer-to-peer lending websites in Canada. We note that these websites may differ in structure. Any business that plans to operate a peer-to-peer lending website should obtain legal advice and consider:

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[3] *In the Matter of Sears Canada Inc., Sears Holding Corporation, and SHLD Acquisition Corp. v. Hawkeye Capital Management, LLC, Knott Partners Management, LLC, and Pershing Square Capital Management, L.P.* dated August 8, 2006 (former Vice Chair Wolburgh Jenah and Commissioners Davis and Perry).

[4] See, for example, Henry T.C. Hu & Bernard Black, *Equity and Debt Decoupling and Empty Voting: Importance and Extensions*, University of Pennsylvania Law Review, vol 156, no. 3, January 2008 at 625 and various earlier papers cited therein.

[5] *In the Matter of Eugene Melnyk et al* dated May 18, 2007 (decision) and June 6, 2007 (reasons) (Vice Chair Turner and Commissioners Howard and Perry); *In the Matter of Sterling Centrecorp Inc., and SCI Acquisition Inc. v. First Capital Realty Inc. and Gazit Canada Inc.* dated June 4, 2007 (Decision and reasons) (Vice Chair Ritchie and Commissioners Hands and Perry); and *In the Matter of Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney* dated June 20, 2008 (Commissioners Shirriff, Thakrar and Knight).

- The type of securities within the meaning of the Act (e.g., evidences of indebtedness, investment contracts) that are being offered under the proposed structure.

- The type of trades and distributions that will occur by virtue of the structure.

- How the business will comply with applicable securities legislation, including adviser and dealer registration requirements.

- Whether the proposed structure would constitute a marketplace under National Instrument 21-101 *Marketplace Operation.*

Since the peer-to-peer lending structure is novel in Canada and raises a number of regulatory issues, we suggest that any business planning to operate peer-to-peer lending websites submit a pre-filing letter to its principal regulator.

6. Current priorities

6.1 Plans for fiscal 2009

Each year, we conduct targeted reviews to assess compliance with new accounting and regulatory initiatives. We plan to conduct the following targeted reviews for fiscal 2009, however, our plans could be affected by changing market conditions and the effect of these changes on our risk assessment.

Financial instruments disclosure

Given the difficulty issuers have had with the implementation of the new financial instrument sections in fiscal 2008, we will review the implementation of CICA HB Section 1535 *Capital Disclosures*, Section 3862 *Financial Instruments - Disclosures* and Section 3863 *Financial Instruments - Presentation*.

These sections apply to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007 and focus on exposures to risk and how those risks are managed. We believe that a compliance review for these sections will allow us to review the quality of risk disclosures, which is important information for investors to consider when making investment decisions.

Current market conditions heightened the importance of the need for transparent disclosure of exposures and risks associated with structured credit products and off-balance sheet entities. In order to meet the disclosure requirements of CICA HB Section 3862 and Form 51-102F1 *MD&A*, issuers should disclose both qualitative and quantitative information in sufficient detail to provide meaningful disclosure of risks arising from financial instruments and off-balance sheet transactions.

Non-GAAP financial measures

We have continued to monitor the disclosure of non-GAAP financial measures as part of reviews and will be conducting a targeted review focusing on this issue this year. It has become apparent that issuers in almost all industries utilize some type of a non-GAAP financial measure considered common to that particular industry. Through these reviews, we have noted that the disclosure recommendations outlined in Staff Notice 52-306 *Non-GAAP Financial Measures* are often not considered and, in some cases, the non-GAAP disclosures appear to be misleading.

Inventories

The CICA recently issued HB Section 3031 *Inventories.* This standard is generally harmonized with International Accounting Standard 2 (IAS 2) *Inventories* and applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2008. We plan to conduct a targeted review to assess compliance with these new requirements.

Key changes from the previous standard on inventories include:

- reduction in the number of alternatives for the measurement of inventory as last-in, first-out (LIFO) is no longer permitted
- reversal of prior write-downs to net realizable value is permitted when there is a subsequent increase in net realizable value
- increased disclosure requirements
- requirement of impairment testing at each period

Forward-looking information

In December 2007, the CSA adopted new disclosure requirements for forward-looking information, which are set out in National Instrument 51-102 *Continuous Disclosure Obligations*. The new requirements came into effect in 2008 and include definitions for future-oriented financial information (FOFI) and financial outlook. There is now a blanket prohibition on disclosing any kind of forward-looking information without a reasonable basis, including FOFI, financial outlooks or other forward-looking information.

If an issuer discloses material forward-looking information, the issuer must:

- identify the forward-looking information as such
- caution users of forward-looking information that actual results may vary from the forward-looking information and identify material risk

factors that could cause actual results to differ materially from the forward-looking information

- state the material factors or assumptions used to develop forward-looking information
- describe the issuer's policy for updating the forward-looking information if it includes procedures in addition to those described in the MD&A

This year, we will be completing a targeted review of issuers that have disclosed forward-looking information to determine the level of compliance with the new disclosure requirements.

Fair value of illiquid securities

The freeze in the market for non-bank sponsored ABCP highlighted the challenges associated with fair valuing illiquid securities and the importance of disclosure in assisting the market's understanding of risks associated with financial instruments and an issuer's valuation.

This year we will be conducting a targeted review of illiquid securities valuation. Our review will focus on:

- the valuation methodologies used
- the internal processes in place to determine and assess fair value
- the disclosures required by CICA HB Sections 3862 *Financial Instruments – Disclosures,* 3855 *Financial Instruments – Recognition and Measurement* relating to fair value
- the disclosures required by Item 1.12 *Critical Accounting Estimates* and Item 1.14 *Financial Instruments and Other Instruments* of Form 51-102F1 *MD&A*

Going concern

The CICA recently issued an amended HB section 1400 *General Standards of Financial Statement Presentation*. These amendments apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008 and specifically address going concern issues. We will be conducting a targeted review to assess and facilitate compliance with these new requirements. Specifically, we will focus on management's assessment of an entity's ability to continue as a going concern when preparing financial statements, along with disclosure of material uncertainties that may affect an entity's ability to continue as a going concern.

6.2 Transition to International Financial Reporting Standards (IFRS)

In 2006, the Canadian Accounting Standards Board (AcSB) announced a strategic plan calling for the adoption of IFRS by "publicly accountable enterprises" in Canada. Recently, the AcSB confirmed that IFRS will come into effect on January 1, 2011. IFRS is a single set of global accounting standards that are set by the International Accounting Standards Board (IASB).

Converting to IFRS represents a fundamental change to reporting standards and is one of the most significant changes that issuers will have to deal with over the next few years. The process will require a significant commitment of resources by issuers and regulators, along with sufficient advance planning to ensure a smooth transition.

Timeline for IFRS conversion

The diagram below outlines the expected timeline for calendar year-end reporting issuers converting their financial statements to IFRS. The first reporting period under IFRS for calendar year-end reporting issuers will be the first quarter ending March 31, 2011.

2008	Training and knowledge of IFRS Prepare convergence plan Provide qualitative IFRS disclosure in MD&A
2009	Consider IFRS policy choices Review system implications Update IFRS disclosure in MD&A
2010	Compile comparative data for use in 2011 Restate 2010 statements for 2011 IFRS filing Add quantitative IFRS disclosure in MD&A
2011	IFRS reporting as primary GAAP

As the diagram above clearly indicates, the timeline for IFRS conversion is highly compressed. In addition to their ongoing business activities, issuers will have to fully research and plan for the impact of converting to IFRS during fiscal years 2008 and 2009. This includes:

- developing a detailed conversion plan
- implementing IFRS training for employees
- reviewing the IFRS Handbook for accounting policy selections
- implementing these decisions in their reporting systems (which includes monitoring proposed or anticipated changes to standards that could be in effect by December 31, 2011)

The completion of this work is critical for the required compilation of fiscal 2010 IFRS comparative information.

Reporting issuers need to be aware that developing and implementing an IFRS conversion plan is not just an accounting exercise, since it will affect a wide variety of an issuer's business activities. Issuers will have to consider how the transition to IFRS will affect all business functions that rely on financial information, including:

- executive compensation plans and related disclosure requirements
- income and other taxes
- treasury activities such as foreign exchange and hedging
- bank covenants and other contracts or agreements
- internal controls and certification
- investor relations
- information technology systems

Corporate governance

Audit committees will need to actively monitor the issuer's IFRS conversion plan, given this fundamental change to reporting standards and the impact it could have on many areas of an issuer's business. Audit committee education and awareness of IFRS related issues is critical to discharging their stewardship responsibilities.

Disclosure

During the period leading up to the changeover date, issuers will have to communicate to the market their readiness for the transition and the potential impact that the application of IFRS will have on their financial statements and related disclosures.

In May 2008, the CSA issued Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards*. The notice provides guidance to issuers on the disclosure necessary to communicate to stakeholders prior to implementation.

In addition, issuers will have to begin considering the additional disclosure requirements under IFRS that will generally result in more detailed disclosure in the notes to the financial statements than under Canadian GAAP. They will need to allocate sufficient resources for identifying and collecting information that will be required to be included in the first IFRS financial statements and the 2010 comparative period.

Industry specific issues

Canada's transition to IFRS will have significant impact on some issuers where existing IFRS guidance is fairly limited or differs materially from Canadian GAAP. We highlight some of these industries below.

Banking

The Office of the Superintendent of Financial Institutions (OSFI) announced that Federally Regulated Financial Institutions will not be permitted to early adopt IFRS. Banks commonly use securitization vehicles to move assets off their balance sheets to free capital for additional lending. Consolidation of special purpose entities (SPEs) differs between IFRS and Canadian GAAP. The concept of a qualified special purpose entity exists under Canadian GAAP, which is commonly used to avoid consolidation, however the concept of a qualified special purpose entity does not exist under IFRS. The IASB is working with standard setters in the US to try and achieve harmonization with respect to the accounting for SPEs.

Insurance
The most significant impact of the transition to IFRS on the insurance industry will be the standard that results from the IASB project on insurance contracts. The standard will result in a consistent basis of accounting for insurance contracts worldwide. The standard is expected to be issued as an exposure draft in late 2009 and as a final standard in 2011. The publication of the final standard will be subsequent to the January 1, 2011 Canadian transition date to IFRS. The AcSB is considering how to approach the adoption of IFRS for insurance companies on January 1, 2011, in light of the subsequent publication of the final IFRS for insurance contracts.

Mining
IFRS, as currently in effect, does not specifically address many attributes of a mining company's operations. Specifically, these attributes include large upfront investment with low success rates and long lead times, significant back-end costs associated with the closing of a mine, and activities that both produce saleable product and contribute to the development of the mine.

IFRS 6 *Exploration for and Evaluation of Mineral Resources* provides guidance for the financial reporting of expenditures incurred in the exploration for, and evaluation of, mineral resources. It does not address development of mineral resources. Guidance on a limited range of relevant issues may also be found in IAS 16 *Property, Plant and Equipment*, IAS 36 *Impairment of Assets* and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

While the IASB is currently undertaking a comprehensive research project to address a broad range of issues faced by the mining sector, guidance is not expected for several years. In the meantime, these issues will need to be addressed by mining companies that report under IFRS.

Real Estate
One of the standards that may impact a number of the issuers in this industry, regardless of the nature of their business, is IAS 40 *Investment Property*. Issuers who hold assets such as land or buildings that meet the definition of investment property may choose to record these assets using the fair value model.

Under the fair value model, period to period valuation changes in these assets are recorded in the income statement. In addition, this model does not require these assets to be depreciated or tested for impairment, as compared to the historical cost model.

This standard is quite different than existing Canadian GAAP and may significantly impact an issuer's balance sheet and income statement upon transitioning to IFRS, depending upon the nature of their assets and the choices they make under this standard.

Audit of comparative financial statements on first-time adoption of IFRS

IFRS 1 *First-time Adoption of International Financial Reporting Standards* requires the comparative financial statements in the first set of IFRS financial statements to also be reported in accordance with IFRS. Securities law requires annual financial statements to be audited. Accordingly, the comparative IFRS financial statements must also be audited.

For reporting issuers that change over to IFRS at December 31, 2011, the 2010 year end will have already been filed with securities regulators and audited on a Canadian GAAP basis. The change-over to IFRS will mean an additional audit of the 2010 financial statements and issuers should plan accordingly.

6.3 Other policy initiatives

Goal #3

Champion investor protection, especially for retail investors.

We participate in a number of CSA policy initiatives. The following is a summary of some of the projects initiated or completed during the 2008 fiscal year:

- Amendments to Part XX – Take-Over Bids and Issuer Bids of the Act, new OSC Rule 62-504 *Take-Over Bids and Issuer Bids,* new National Policy 62-203 *Take-Over Bids and Issuer Bids* and new Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* and related Companion Policy 61-101CP (MI 61-101)[6] all came into force in Ontario on February 1, 2008[7].

[6] MI 61-101 introduces harmonized requirements in Québec and Ontario for enhanced disclosure, independent valuations and majority of minority security holder approval for specified types of transactions. These requirements are substantially similar to those previously set out in Regulation Q-27 *Respecting Protection of Minority Securityholders in the Course of Certain Transactions* in Québec and in Rule 61-501 *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions* in Ontario.

[7] In all other Canadian jurisdictions, the take-over and issuer bid regimes are harmonized through the application of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*, which contains provisions similar to Part XX of the Act and OSC Rule 62-504.

- National Instrument 41-101 *General Prospectus Requirements* became effective on March 17, 2008.

- New National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* and new National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* came into force on March 17, 2008. These new interface policies replaced the existing Mutual Reliance Review System policies for prospectuses and applications.

- A revised National Instrument 51-102F6 *Executive Compensation* was published for comment on February 22, 2008. The comment period expired on April 22, 2008. The instrument is expected to be implemented on December 31, 2008.

- A revised National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* was published in final form on August 15, 2008. The instrument is expected to be implemented on December 31, 2008.

- CSA Notice 51-323 *XBRL Filing Program and Request for Volunteers* was issued on January 19, 2007. The Notice announced the launching of the CSA's XBRL voluntary filing program in May 2007. We continue to focus on raising awareness of the program to increase issuer participation.

7. Service standards and procedural matters

7.1 How we performed this year

We are committed to delivering dependable, prompt and high quality services.

When an issuer files an offering document with us and we are the principal regulator, we aim to complete our review within 30 working days. When an issuer files an application for exemptive relief with us and we are the principal regulator, we aim to complete our review within 40 working days. In the vast majority of situations, we are able to meet these service standards.

Service Standards

	2008	2007
Offering documents	88%	92%
Applications	81%	85%

7.2 Insider reporting procedural matters

Our insider reporting group is responsible for administering insider reporting requirements under the Act. Our objective is to facilitate transparent, timely and complete insider reporting.

To assist insiders with their obligations, we strongly encourage insiders and their agents to review:

- National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* and the related forms
- CSA Staff Notice 55-308 *Questions on Insider Reporting*
- CSA Staff Notice 55-301 *Questions and Answers on the System for Electronic Disclosure by Insiders*

Insider transaction issues

We continue to see insiders and their agents file insider reports on SEDI that do not correctly report their transactions in the manner required by Form 55-102F2 *Insider Report* and other applicable securities law.

Two specific areas of concern were identified during our fiscal 2008 year reviews. Some insiders continue to use the settlement date instead of the trade date for the date of the transaction that they report on the system. Other insiders do not always report the grant of derivatives (e.g. options, warrants or rights) and any subsequent expiration of these securities.

Insider profile issues

We continue to identify instances where insiders have not filed an amended insider profile on SEDI within 10 days of a change in their name or relationship to any reporting issuer. As well, many insiders that cease to be an insider of a reporting issuer do not reflect this on SEDI.

Other areas of concern that we noted include:

- Individuals using the issuer's address rather than their residential address.
- Incorrect reporting of the manner the insider holds securities. For example, securities owned directly but held through a nominee such as a broker or book-based depository (i.e. CDS) are considered direct holdings.

Issuer events

We remind issuers to file an issuer event report on SEDI no later than one business day after a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of an issuer in the same manner.

7.3 Other procedural matters

Applications

Relief in Multiple Jurisdictions
National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* came into effect on March 17, 2008. The policy describes the process for the filing and review of an application for exemptive relief in more than one Canadian jurisdiction.

Since National Policy 11-203 came into effect, we have noticed the following frequently occurring errors:

- Only applications for relief from a requirement of securities law listed in Appendix D to Multilateral Instrument 11-102 *Passport System* qualify as a "passport application" or a "dual application" under National Policy 11-203. Filings have been made as passport or dual applications in circumstances where the requested relief is not listed in Appendix D.

- We have received applications for relief containing draft decision documents that are not in the proper form. Filers that do not comply with the form of decision document required for the particular type of application may need to refile a corrected application.

- Failing to provide an electronic copy of the application and draft decision document in Word (see section 5.5 of National Policy 11-203).

We also remind filers to submit all of the material listed in National Policy 11-203 when filing an application.

We note that applications for revocations of cease trade orders must be made separately to each local jurisdiction that issued a cease trade order (the process in National Policy 11-203 does not apply to those applications).

8. Contact information

General inquiries	Contact Centre Ontario Securities Commission 20 Queen Street West, Suite 1900, Box 55 Toronto, Ontario M5H 3S8 Telephone: (416) 593-8314 Toll-Free (North America): 1-877-785-1555 Email: inquiries@osc.gov.on.ca
Branch report inquiries	Margo Paul, Director Telephone: (416) 593-8136 Email: mpaul@osc.gov.on.ca Kelly Gorman, Manager Telephone: (416) 593-8251 Email: kgorman@osc.gov.on.ca Michael Brown, Assistant Manager Telephone: (416) 593-8266 Email: mbrown@osc.gov.on.ca Michael Balter, Senior Legal Counsel Telephone: (416) 593-3739 Email: mbalter@osc.gov.on.ca Nina Hertzog, Accountant Telephone: (416) 593-2381 Email: nhertzog@osc.gov.on.ca
Cease trade orders and filing CD documents	Ann Mankikar, Supervisor, Financial Examiners Telephone: (416) 593-8281 Email: amankikar@osc.gov.on.ca
Preliminary receipts	Merle Shiwbhajan, Review Officer Telephone: (416) 593-8239 Email: mshiwbhajan@osc.gov.on.ca Moses Seer, Administrative Support Clerk Telephone: (416) 593-3684 Email: mseer@osc.gov.on.ca
Final receipts	Fareeza Baksh, Selective Review Officer Telephone: (416) 593-8062 Email: fbaksh@osc.gov.on.ca
Applications for exemptive relief	David Mattacott, Applications Administrator Telephone: (416) 593-8325 Email: dmattacott@osc.gov.on.ca

1.1.3 CSA Staff Notice 33-313 – International Financial Reporting Standards and Registrants

CSA STAFF NOTICE 33-313
INTERNATIONAL FINANCIAL REPORTING STANDARDS AND REGISTRANTS

Purpose

This notice reminds registrants that the changeover to International Financial Reporting Standards (IFRS) announced by the Canadian Accounting Standards Board (AcSB) applies to certain registrants.

Background

The AcSB has confirmed January 1, 2011 as the date IFRS will replace current Canadian standards and interpretations as Canadian generally accepted accounting principles (Canadian GAAP) for publicly accountable enterprises (PAEs).

Many registrants will have to adopt IFRS in 2011 based on the AcSB implementation schedule. We are considering whether all registrants should be required by securities rules to use IFRS.

This notice focuses on those registrants (non-SRO registrants) that are regulated directly by the Canadian securities regulatory authorities, that is, those that are not members of a self-regulatory organization, such as the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada. The Mutual Fund Dealers Association of Canada and Investment Industry Regulatory Organization of Canada will provide guidance to their members on the use of IFRS separately.

Non-SRO registrants include investment counsel and portfolio managers, limited market dealers, exchange-contracts dealers, scholarship plan dealers, restricted dealers and, in Québec, mutual fund dealers. Proposed National Instrument 31-103 *Registration Requirements* contemplates new registration categories, including exempt market dealers and investment fund managers. This notice will also apply to these proposed new categories, if they are adopted.

Requirement to change to IFRS

The AcSB's definition of PAE excludes profit-oriented entities that:

- have not issued (and are not in the process of issuing) debt or equity instruments in a public market; and
- do not hold assets in a fiduciary capacity for a broad group of outsiders. Entities with fiduciary responsibility, such as banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks, stand ready to hold and manage financial resources entrusted to them by clients, customers or members not involved in the management of the entity.

It is staff's position that any non-SRO registrant that holds or has access to any client assets will be required to deliver financial statements prepared in accordance with IFRS to the Canadian securities regulatory authorities for financial years commencing on or after January 1, 2011.

Staff are considering whether non-SRO registrants that do not hold or have access to any client assets should be required to use IFRS and, if so, the appropriate implementation date for that changeover.

Implications of the changeover to IFRS

Changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect a registrant's reported financial position and results of operations. Registrants will need to provide comparative information for their first reporting period under IFRS. For example, a registrant's financial statements for its year ended December 31, 2011 must include comparative information for the period ended December 31, 2010 prepared in accordance with IFRS. Registrants will need to maintain appropriate records to prepare this comparative information. In addition, registrants with financial years ending December 31 will be required to prepare their working capital calculations in accordance with IFRS beginning on January 1, 2011.

Changing from current Canadian GAAP to IFRS may also affect certain business functions. As a result, significant planning for the changeover, if not already started, should start as soon as practicable. Registrants that hold or have access to any client assets may want to discuss the changeover to IFRS with their auditors to ensure readiness for the changeover to IFRS by 2011. CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards* provides guidance to issuers on certain factors they should consider in developing their changeover plan. Registrants may want to consider similar factors when developing their changeover plans.

Questions may be directed to:

Leslie Rose
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
(604) 899-6654
lrose@bcsc.bc.ca

Janice Leung, CA, CFA
Senior Securities Examiner, Capital Markets Regulation
British Columbia Securities Commission
(604) 899-6752
jleung@bcsc.bc.ca

David McKellar, CA
Director, Market Regulation
Alberta Securities Commission
Tel: (403) 297-4281
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Marrianne Bridge, CA
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Ontario Securities Commission
(416) 595-8907
mbridge@osc.gov.on.ca

Carlin Fung, CA
Senior Accountant, Compliance
Ontario Securities Commission
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Sophie Jean
Conseillère en réglementation
Surintendance de la distribution
Autorité des marchés financiers
Tel: 514-395-0337, ext. 4786
sophie.jean@lautorite.qc.ca

September 12, 2008

1.1.4 Notice of Commission Approval – Material Amendments to CDS Rules – Free Payment Restrictions in CDSX

CDS CLEARING AND DEPOSITORY SERVICES INC.

MATERIAL AMENDMENTS TO CDS RULES

FREE PAYMENT RESTRICTIONS IN CDSX

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on September 9, 2008, amendments filed by CDS to its rules that delete certain restrictions on free payments (i.e. cash only movements) within CDSX. CDS maintains that the current Aggregate Collateral Value (ACV) risk edits and Funds risk edits within CDSX are the more appropriate controls for collateralization and the magnitude of payment risk in CDSX. A copy and description of these amendments were published for comment on July 4, 2008 at (2008) 31 OSCB 6891. No comments were received.

1.2 Notices of Hearing

1.2.1 AiT Advanced Information Technologies Corporation et al. - s. 144

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

AND

IN THE MATTER OF
AiT ADVANCED INFORMATION TECHNOLOGIES CORPORATION, BERNARD JUDE ASHE AND DEBORAH WEINSTEIN

NOTICE OF HEARING
(Section 144)

WHEREAS Staff of the Ontario Securities Commission ("Staff") made an application, dated July 3, 2008 (the "Application"), pursuant to section 144 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") to revoke the Orders of the Commission in this matter dated February 26, 2007 approving the Settlement Agreements between Staff and AiT Advanced Information Technologies Corporation and Bernard Jude Ashe respectively;

TAKE NOTICE that the Commission will hold a hearing with respect to the Application at the Commission's offices at 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario commencing on Wednesday, September 17, 2008 at 10:00 a.m. or as soon as possible after that time to consider whether the Commission should make an order under section 144 of the Act, as the Commission deems appropriate;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel if he or she attends or submits evidence at the hearing;

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

DATED at Toronto, this 10th day of September, 2008.

"John P. Stevenson"
Secretary to the Commission
Ontario Securities Commission

1.3 News Releases

1.3.1 Canadian Regulators to Host XBRL Panel Discussion

FOR IMMEDIATE RELEASE
September 5, 2008

CANADIAN REGULATORS TO HOST
XBRL PANEL DISCUSSION

Toronto – On September 24, 2008, representatives from the Canadian Securities Administrators (CSA) will hold a free information session for industry participants and members of the media on the increasing use and importance of XBRL (eXtensible Business Reporting Language).

The information session will feature expert speakers from the CSA and the U.S. Securities and Exchange Commission (SEC) who will discuss recent proposals by the SEC for the mandatory use of XBRL, as well as the move to XBRL in Canada.

"As a business reporting language, XBRL will make it easier for investors and analysts to analyze financial information from a large number of different companies," said James Turner, Vice-Chair, Ontario Securities Commission. "The CSA is supportive of XBRL and is hosting this event to help the Canadian marketplace gain a greater understanding of this exciting technology."

Speakers:

- James Turner, Vice-Chair, Ontario Securities Commission
- David Blaszkowsky, Director, Office of Interactive Disclosure, SEC
- Peter Grant, Chief Information Officer, British Columbia Securities Commission
- Gerald Trites and Wasim Thaha, XBRL Canada
- Cameron McInnis, Chief Accountant (Acting), Ontario Securities Commission

Event Information:

- Wednesday, September 24, 2008 from 1:30 p.m. to 3:30 p.m. at the Metro Toronto Convention Centre, South Building (222 Bremner Blvd) Room 714

There is no charge to attend this event. For registration, please go to www.xbrl.ca/registration, or call Joanne Platsis at the Ontario Securities Commission at 416-593-8222.

Those unable to attend are invited to listen or view the event live from the CSA website
www.csa-acvm.ca/html_CSA/xbrl.html

For media inquiries:

Laurie Gillett
Ontario Securities Commission
416-595-8913

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Christian Barrette
Autorité des marchés financiers
514-940-2176

Andrew Poon
British Columbia Securities Commission
604-899-6880

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586

Mark Dickey
Alberta Securities Commission
403-297-4481

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Wendy Connors-Beckett
New Brunswick Securities Commission
506 643-7745

Marc Gallant
Prince Edward Island
Office of the Attorney General
902-368-4552

Doug Connolly
Financial Services Regulation Division
Newfoundland and Labrador
709-729-2594

Louis Arki
Nunavut Securities Registry
867-975-6587

Donn MacDougall
Securities Registry
Northwest Territories
867-920-8984

Fred Pretorius
Yukon Securities Registry
867-667-5225

1.4 Notices from the Office of the Secretary

1.4.1 Sunwide Finance Inc. et al.

FOR IMMEDIATE RELEASE
September 4, 2008

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

AND

IN THE MATTER OF
SUNWIDE FINANCE INC., SUN WIDE GROUP,
SUN WIDE GROUP FINANCIAL
INSURERS & UNDERWRITERS,
BRYAN BOWLES, ROBERT DRURY,
STEVEN JOHNSON, FRANK R. KAPLAN,
RAFAEL PANGILINAN,
LORENZO MARCOS D. ROMERO,
AND GEORGE SUTTON

TORONTO – The Commission issued an Order today which provides that the Hearing is adjourned to November 19, 2008 at 10:00 a.m., whereupon the hearing on the merits will begin.

A copy of the Order dated September 4, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
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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 Betty Leung

FOR IMMEDIATE RELEASE
September 5, 2008

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

AND

IN THE MATTER OF
BETTY LEUNG

TORONTO – The Commission issued its Reasons For Decision on Settlement in the above noted matter.

A copy of the Reasons For Decision on Settlement dated September 4, 2008 is available at **www.osc.gov.on.ca**.

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1.4.3 Roger D. Rowan et al.

FOR IMMEDIATE RELEASE
September 8, 2008

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

AND

IN THE MATTER OF
ROGER D. ROWAN, WATT CARMICHAEL INC.,
HARRY J. CARMICHAEL AND
G. MICHAEL McKENNEY

TORONTO – At the request of counsel, on consent, the sanctions hearing scheduled for September 12, 2008 in the above noted matter has been adjourned to a date to be agreed to by the parties and fixed by the Secretary's Office.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.4 Patricia McLean

FOR IMMEDIATE RELEASE
September 9, 2008

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

AND

IN THE MATTER OF
PATRICIA MCLEAN

TORONTO – Following a hearing held yesterday, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Patricia McLean.

A copy of the Settlement Agreement and Order dated September 8, 2008 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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1-877-785-1555 (Toll Free)

1.4.5 Rodney International et al.

FOR IMMEDIATE RELEASE
September 9, 2008

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

AND

IN THE MATTER OF
RODNEY INTERNATIONAL,
CHOEUN CHHEAN
(ALSO KNOWN AS PAULETTE C. CHHEAN)
AND
MICHAEL A. GITTENS
(ALSO KNOWN AS ALEXANDER M. GITTENS)

TORONTO – The Commission issued an Order in the above noted matter which provides that the Temporary Order is continued until September 19, 2008 and the hearing is adjourned to September 18, 2008 at 2:00 p.m. for a hearing on the merits.

A copy of the Order dated September 5, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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416-595-8913

Carolyn Shaw-Rimmington
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416-593-2361

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

1.4.6 Irwin Boock et al.

FOR IMMEDIATE RELEASE
September 9, 2008

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

AND

IN THE MATTER OF
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

TORONTO – The Commission issued an Order which provides that the hearing to extend the Temporary Cease Trade Order, as amended, is adjourned until October 17, 2008 at 9:00 a.m.

A copy of the Order dated September 9, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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416-595-8913

Carolyn Shaw-Rimmington
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416-593-2361

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

1.4.7 David Watson et al.

FOR IMMEDIATE RELEASE
September 9, 2008

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

AND

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

TORONTO – The Commission issued an Order which provides that the hearing to extend the Temporary Cease Trade Order, as amended, is adjourned until October 17, 2008 at 9:00 a.m. in the above noted matter.

A copy of the Order dated September 9, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
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Manager, Public Affairs
416-595-8913

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

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

1.4.8 Stanton De Freitas

FOR IMMEDIATE RELEASE
September 9, 2008

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

AND

IN THE MATTER OF
STANTON DE FREITAS

TORONTO – The Commission issued an Order which provides that:

1. the hearing to extend the Temporary Orders, as modified, is adjourned until October 17, 2008 at 9:00 a.m.; and

2. pursuant to subsection 127(8) of the Act, the Temporary Order, as modified, is extended until, October 17, 2008 or until further order of the Commission.

A copy of the Order dated September 9, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

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

1.4.9 AiT Advanced Information Technologies Corporation et al.

FOR IMMEDIATE RELEASE
September 10, 2008

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

AND

IN THE MATTER OF
AiT ADVANCED INFORMATION TECHNOLOGIES CORPORATION, BERNARD JUDE ASHE AND DEBORAH WEINSTEIN

TORONTO – The Office of the Secretary issued a Notice of Hearing scheduling a hearing in this matter on September 17, 2008 at 10:00 a.m. to consider whether the Commission should make an order under section 144 of the Act, as the Commission deems appropriate.

A copy of the Notice of Hearing dated September 10, 2008 is available at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Nortel Networks Limited

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions - Exemption from dealer registration requirement and prospectus requirement with respect to certain trades in, and distributions of, units of proprietary pooled mutual funds, made by employer to or for the benefit of members of its defined contribution pension and savings plans. Relief granted on standard terms and conditions of CAP Exemption, although certain of the employer's savings plans, including unregistered savings plans and RRIFs, are not CAPs. Some of the investment options will not fully comply with Part 2 of NI 81-102 because of their fund-of-fund structure.

Applicable Legislative Provisions

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1)(a), 53, 74(1).

Rules Cited

National Instrument 81-102 – Mutual Funds.
National Instrument 45-106 – Prospectus and Registration Exemptions.

Published Documents Cited

Amendments to National Instrument 45-106 – Registration and Prospectus Exemption for Certain Capital Accumulation Plans, October 21, 2005 (2005), 25 OSCB 8681.
Joint Forum of Financial Market Regulators, Guidelines for Capital Accumulation Plans, May 28, 2004.

August 12, 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
NORTEL NETWORKS LIMITED ("Nortel")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Nortel for a decision under the securities legislation of the Jurisdiction ("the **Legislation**") of the principal regulator for an exemption from the dealer registration requirement in paragraph 25(1)(a) of the *Securities Act* (Ontario) (the "**Act**") (the "**Dealer Registration Requirement**") and the prospectus requirement in section 53 of the Act (the "**Prospectus Requirement**") with respect to certain trades in, and distributions of, units of investment funds (the "**Funds**", as set out in paragraph 10 below), made by Nortel, or officers or employees of Nortel acting on its behalf, to or for the benefit of Plan Members (as defined below) in respect of assets held in the DC Plans (as defined below) (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) Nortel 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 each of the provinces and territories of Canada (the "**Passport Jurisdictions**").

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* and MI 11-102 have the same meanings in this decision ("**Decision**") unless they are otherwise defined in this Decision.

Representations

This Decision is based on the following facts represented by Nortel:

1. Nortel is a corporation incorporated under the *Canada Business Corporations Act*. Its executive head office is located in Toronto, Ontario. Nortel and its affiliates have approximately 6793 employees (as of December 31, 2007) across Canada. Nortel sponsors both defined benefit and defined contribution retirement and savings plans for its employees, employees of its affiliates and former employees of Nortel and its affiliates.

2. Nortel is not in default of the securities legislation in any of the Passport Jurisdictions.

3. Nortel's retirement and savings plans include the following:

   (a) The NNL Managerial and Non-Negotiated Pension Plan (combination defined benefit/defined contribution), the NNL Money Purchase Pension Plan (defined contribution) and the NNL Negotiated Pension Plan (combination defined benefit/defined contribution), which are registered pension plans under the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada) (the "**Registered Pension Plans**").

   (b) The Nortel Networks Non-Negotiated Deferred Profit Sharing Plan, the Negotiated Deferred Profit Sharing Plan, the Non-Negotiated Group Retirement Savings Plan, the Negotiated Group Retirement Savings Plan, the Sun Life Financial Trust RRSPs, the Locked-in RRSPs and the Sun Life Financial Sponsored Group Choices RRSP and Locked-in RRSP (the "**Registered Savings Plans**"), which are registered plans under the *Income Tax Act* (Canada). The Registered Savings Plans operate under the umbrella of the Nortel Networks Investment Plan for Employees – Canada (the "**Investment Plan**") and the Nortel Networks Savings Plan for Employees – Canada (the "**Savings Plan**") for the non-unionized and unionized employees respectively.

   (c) The Nortel Networks After Tax Savings Vehicle and the Nortel Networks After Tax Savings Plan are both after-tax savings vehicles which operate under the umbrella of the Investment Plan (for non-unionized employees) or the Savings Plan (for unionized employees) (the "**Unregistered Savings Plans**").

   (d) The Nortel Group Sponsored LIF/RIFs are registered retirement income funds under the *Income Tax Act* (Canada) (the "**RRIFs**").

   In addition to the defined contribution components of the Registered Pension Plans, the Registered Savings Plans, the Unregistered Savings Plans and the RRIFs described above (collectively, the "**DC Plans**" or the "**Plans**"), Nortel sponsors the defined benefit components of the Registered Pension Plans, and a Health and Welfare Trust which funds health care benefits provided to certain employees of Nortel and its affiliates.

4. The assets in the DC Plans all stem from contributions and investment returns earned on contributions made to the Plans by Nortel, its affiliates, or Plan Members as permitted by the Plans.

5. Although the level of employer and employee contributions vary from Plan to Plan, Nortel and its affiliates and their employees each make contributions toward retirement and savings as follows:

   (a) Under the defined contribution components of the Registered Pension Plans, the "Employer", being Nortel or an affiliate, makes a minimum contribution of 2% of an employee's earnings for its employees who are members of those Plans. Employees may make additional contributions which attract further matching contributions by Nortel (up to certain limits).

   (b) Under the Investment Plan and the Savings Plan, employees may elect to make basic contributions of between 2% and 6% of their earnings as well as additional contributions. The Employer makes contributions equal to 50% of the employee's basic contributions. Generally, employee contributions are directed to the RRSP or the SunLife Financial Trust RRSP and the Employer's contributions are directed to the DPSP. Any contributions that exceed *Income Tax Act* (Canada) maximums are directed to the Unregistered Savings Plans.

   (c) The RRIFs are established for former employees of the Employers to hold any assets that they, at their option, elect to transfer from the Registered Pension Plans, the Registered Savings Plans or other registered arrangements. No other contributions are permitted to be made to the RRIFs.

6. Members of the DC Plans ("**Plan Members**") include current or former employees of Nortel or its affiliates who participate in one or more of the Plans in accordance with their terms, and may also include

   (a) a spouse of a current or former employee, or former spouse in the case of a marriage breakdown; or

   (b) a trustee, custodian or administrator who is acting on behalf of the Plan Member, or for the Plan Member's benefit, or on behalf of or for the benefit of the Plan Member,

that has assets in a DC Plan, and includes a person that is eligible to participate in one or more of the DC Plans. Apart from the individuals noted above, no individual who is not a current or former employee of Nortel or an affiliate, may participate in any of the DC Plans.

7. The management and administration of the DC Plans are the responsibility of Nortel. These responsibilities are discharged by the Board of Directors of Nortel acting through the Pension Fund Policy Committee, Pension Investment Committee, Retirement Plan Committee and Nortel's Treasury Department.

8. Except as specified below, each of the DC Plans is a "capital accumulation plan" ("**CAP**" or "**CAP Plan**"), as that term is defined under the proposed amendments to National Instrument 45-106, *Prospectus and Registration Exemptions* (the "**Proposed CAP Exemption**"), which were published by the Canadian Securities Administrators on October 21, 2005 and adopted in the form of a blanket exemption (the "**Blanket Orders**") in each of the Jurisdictions other than Ontario, Québec, Newfoundland and Labrador, the Yukon and Nunavut:

   (a) The Unregistered Savings Plans do not qualify as CAP Plans only on account of the fact that they are not tax-assisted vehicles. As set out above, the Unregistered Savings Plans are a component of Nortel's Investment Plan and Savings Plan which allow Plan Members to accumulate monies that they would otherwise contribute to one or more of the Plans that are CAP Plans but for the maximum retirement savings limits imposed by the *Income Tax Act* (Canada). All Plan Members of the Unregistered Savings Plans are or were at one time also Plan Members of the Registered Savings Plans or the Registered Pension Plans.

   (b) The RRIFs are comprised of monies originally invested in Plans that are CAP Plans or other registered plans earned from such monies but which are subsequently transferred to RRIFs in order to generate a retirement income after cessation of employment. All Plan Members of the RRIFs are former employees of Nortel or one of its affiliates and were at one time Plan Members of one or more of the other DC Plans or the defined benefit components of the Registered Pension Plans.

   The assets of the Unregistered Savings Plans and RRIFs will be invested in the same manner as the other Plans (the Registered Pension Plans and the Registered Savings Plans) which do qualify as CAP Plans.

9. At present, the Plan Members, through a series of group annuity policies issued by a licensed insurer to Nortel or the trustee of the assets of the Registered Pension Plans or the Registered Savings Plans, have access to a variety of single-manager investment options that are managed (with the exception of GICs and the Nortel Stock Fund) by external investment managers using a segregated fund platform. Plan Members determine from this menu of investment options how their account(s) within each of the DC Plans will be invested. The approximately $3.2 billion in assets relating to the defined benefit components of the Registered Pension Plans are invested separately in a pension master trust under different investment mandates and using different investment managers.

10. Nortel proposes to restructure the investments made available under the Plans. Under the proposed structure (the "**Proposed Structure**"), Nortel would create common investment pools (the "**Funds**"). The Funds would consist of a series of target retirement date funds ("**Target Date Funds**") plus a series of investment pools including active pools ("**Active Pools**"), each of which would be specific to a particular asset class (i.e., Canadian equity), and passive pools ("**Passive Pools**" , and collectively with the Target Date Funds and the Active Pools, the "**Asset Pools**"). The purpose of the Proposed Structure is to make a diversified range of investment alternatives available to all Plans, which would allow Plan Members to have access to the traditionally higher rates of returns, lower investment manager fees and flexibility regarding external investment manager replacement and investment expertise that are currently available in respect of the defined benefit components of the Registered Pension Plans. The Funds would be created for the investment of the assets of the Plans, defined benefit components of the Registered Pension Plans and the Health and Welfare Trust and not available to the public for investment.

11. Each Fund would be created pursuant to a declaration of trust and would be a mutual fund as defined under the Act. The Funds will not be prospectus qualified. A federally incorporated trust corporation registered under the *Loan and Trust Corporations Act* (Ontario) and which complies with the requirements in Part 6 of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**") would act as trustee and custodian of the Funds (the "Trustee"). Nortel would administer the Funds and, as administrator, would appoint registered portfolio advisers to manage the portfolios of the Asset Pools according to investment mandates determined by Nortel and set out in a statement of

investment policies and procedures. Each portfolio adviser of the Asset Pools will be registered under the Act as an advisor in the subcategories of investment counsel and portfolio manager or will comply with section 7.3 of Ontario Securities Commission Rule 35-502 – *Non-Resident Advisers*. All trades in connection with the securities owned by each of the Funds would be effected through the Trustee.

12. The Plans will be managed and administered in accordance with the CAP Guidelines issued by the Joint Forum of Financial Market Regulators (the "**CAP Guidelines**").

13. In respect of their account(s) under the DC Plans, Plan Members would have a well-diversified array of investment options made available to them. Specifically, Plan Members would be entitled to invest their account(s) in units of (i) one or more of the relevant Target Date Funds (as described below), and/or (ii) one or more of the Active Pools and/or Passive Pools. Accordingly, the only investment options available to Plan Members under the Proposed Structure will be the Funds. Plan members will however be allowed to continue to hold units in the Nortel Stock Fund and GICs (until the scheduled maturity dates) that were acquired prior to the implementation of the Proposed Structure.

14. The portfolio management for the Asset Pools would be delegated by Nortel to one or more external investment managers. All Funds would be valued on a daily basis and redemptions and transfers between Funds would be permitted daily, except that restrictions would be placed on trades within a single Fund occurring within the same month. Plan Members would not interact directly with the Trustee or the external investment managers for the Funds and would not be able to invest in the assets held in the Funds.

15. Each of the Target Date Funds will invest only in units of two or more of the Active and/or Passive Pools, with the particular asset mix for each Target Date Fund geared toward Plan Members with a particular expected retirement date.

16. Each of the Asset Pools will comply with Part 2 of NI 81-102 except that none of the Target Date Funds will comply with sections 2.1, 2.2(1)(a) and 2.5(2)(a) with respect to purchases by the Target Date Funds of securities issued by Active Pools and/or Passive Pools.

17. A Plan Member wishing to invest in a Target Date Fund would be expected to choose the Target Date Fund closest to his or her expected retirement date. If no investment choice is made by a Plan Member, then the Plan Member's interest in the Plans will be invested in the Target Date Fund closest to his or her expected retirement date as the default.

18. Each Target Date Fund would be structured, in essence, as an asset allocation model, and the disclosure to Plan Members would outline the initial asset allocation for a Target Date Fund among the Active Pools and/or Passive Pools, as determined by a registered adviser, with the asset allocation varied (with the advice of the registered adviser) from time to time with particular regard to the proximity of the target/retirement date.

19. No management fees or incentive fees will be payable by a Target Date Fund that would duplicate a fee payable by an Active Pool and/or Passive Pool for the same service. No sales fees or redemption fees are payable by a Target Date Fund in relation to its purchases or redemptions of the securities of an Active Pool and/or Passive Pool.

20. In directing the investment of their account(s) amongst the Funds, the Plan Members would deal exclusively with, employees of Nortel, a record keeper ("**Record Keeper**"), and, should they wish, their own investment advisers. The Record Keeper, which is a "service provider" as defined in the Proposed CAP Exemption, would act as the registrar for the Plans, maintaining records of investment directions, net redemptions and acquisitions of interests in the Funds as they relate to the Plans, interfund transfers and benefit payments. The Record Keeper would also distribute Fund performance information and general educational principles governing the selection of Funds to Plan Members once Nortel has approved the communications.

21. A prospectus would not be issued in respect of the Funds. Plan Members however would receive information materials relevant to investment considerations as required by the Proposed CAP Exemption, including a written explanation of the terms and conditions of the Plans and Plan Members' rights and duties under the Plans, an information statement regarding each of the Funds that describes at minimum a Fund's name, investment objective, investment strategies or composition, risks associated with investing in the Funds, fees disclosure, performance information, current portfolio manager(s), information as to how a Plan Member can obtain more information about the Funds' holdings and other information, semi-annual written account statements as well as access to electronic account statements at any time.

22. At least 60 days prior to the implementation of the Proposed Structure, Nortel will inform Plan Members about the Proposed Structure and provide to each Plan Member the information set out in paragraph 21 in connection with investment

decisions the Plan Member will be required to make in respect of investments in the Funds.

23. All of the assets in the Funds would originate from the DC Plans except that assets of the defined benefit components of the Registered Pension Plans and the Health and Welfare Trust will also be invested in some or all of the Funds.

24. Under the Proposed Structure, the DC Plans themselves will remain in place but, instead of the current investment options, the Funds would become the only investment options available. The Plans would otherwise remain managed and administered by Nortel in accordance with the CAP Guidelines issued by the Joint Forum of Financial Market Regulators.

25. Under the Proposed Structure, units of the Funds would be issued pursuant to the Plans for the benefit of Plan Members and, accordingly, each such issue would be a distribution to which the dealer registration requirements and the prospectus requirements apply.

26. The issuance of units of the Funds would not technically comply with the registration and prospectus exemptions for CAP Plans under the Proposed CAP Exemption or the Blanket Orders in two respects: (i) the Unregistered Savings Plans and the RRIFs are not CAP Plans; and (ii) given the fund of fund structure, with Target Date Funds investing all of their portfolios in Active and/or Passive Pools, the Target Date Funds would not comply with Part 2 of NI 81-102 (a condition of the Proposed CAP Exemption) since the Asset Pools would not be prospectus qualified funds.

27. The oversight of the external investment managers, the Trustee, and the Record Keeper would be undertaken by Nortel for the Unregistered Savings Plans and RRIFs in the same manner as the oversight of these parties for purposes of the Registered Pension Plans and Registered Savings Plans. The same rigour, standards, and practices in overseeing the administration of the Funds and the Plans will therefore apply to the RRIFs and Unregistered Savings Plans.

28. In respect of the fund of fund structure, whereby Target Date Funds invest in Active and/or Passive Pools, the Target Date Funds would not technically meet several of the investment tests, including concentration restrictions and restrictions on the ownership of private mutual funds, contained in Part 2 of NI 81-102. However, as stated above, each of the Target Date Funds would only be investing in the Active Pools and/or Passive Pools, and the Active and Passive Pools would comply with Part 2 of NI 81-102.

29. To the extent that the operation of the Plans does not comply technically with the Proposed CAP Exemption and the Blanket Orders, such as described above, it will comply with the spirit and intent: the Unregistered Savings Plans and RRIFs would be operated in the same manner as CAP Plans, and the Target Date Funds would be investing in the Active and/or Passive Pools which would in turn comply with the investment restrictions in Part 2 of NI 81-102.

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 the following conditions are satisfied:

1. Nortel:

   (a) selects the Funds that Plan Members will be able to invest in under the Plans;

   (b) establishes a policy, and provides Plan Members with a copy of the policy and any amendments to it, describing what happens if a Plan Member does not make an investment decision;

   (c) provides Plan Members, in addition to any other information that Nortel believes is reasonably necessary for Plan Members to make investment decisions within the Plans, and unless that information has previously been provided, with the following information about each Fund the Plan Members may invest in:

      (i) the name of the Fund;

      (ii) the name of the manager of the Fund and its portfolio advisers;

      (iii) the fundamental investment objective of the Fund;

      (iv) the investment strategies of the Fund or the types of investments the Fund may hold;

      (v) a description of the risks associated with investing in the Fund;

      (vi) where a Plan Member can obtain more information about each Fund's portfolio holdings; and

(vii) where a Plan Member can obtain more information generally about each Fund, including any continuous disclosure;

(d) provides Plan Members with a description and amount of any fees, expenses and penalties relating to the Plans that are borne by the Plan Members, including:

(i) any costs that must be paid when a Fund is bought or sold;

(ii) costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by Nortel;

(iii) Fund management fees;

(iv) Fund operating expenses;

(v) record keeping fees;

(vi) any costs of transferring among investment options, including penalties, book and market value adjustments and tax consequences;

(vii) account fees; and

(viii) fees for services provided by service providers,

provided that Nortel may disclose the fees, penalties and expenses on an aggregate basis, if Nortel discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular Plan Member;

(e) at least annually, provides Plan Members with performance information about each Fund the Plan Members may invest in, including:

(i) the name of the Fund for which the performance is being reported;

(ii) the performance of the Fund, including historical performance for one, three, five and ten years if available;

(iii) a performance calculation that is net of investment management fees and Fund expenses;

(iv) the method used to calculate the Fund's performance return calculation, and information about where a Plan Member could obtain a more detailed explanation of that method;

(v) the name and description of a broad-based securities market index, selected in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, for the Fund, and corresponding performance information for that index; and

(vi) a statement that past performance of the Fund is not necessarily an indication of future performance;

(f) at least annually, informs Plan Members if there were any changes in the choice of Funds that Plan Members could invest in and where there was a change, provided information about what Plan Members needed to do to change their investment decision, or make a new investment;

(g) provides Plan Members with investment decision-making tools that Nortel reasonably believes are sufficient to assist them in making an investment decision within the Plans;

(h) provides the information required by paragraphs (b), (c), (d) and (g) prior to the Plan Member making an investment decision under any of the Plans; and

(i) if Nortel makes investment advice from a registrant available to Plan Members, Nortel must provide Plan Members with information about how they can contact the registrant;

2. The Asset Pools comply with Part 2 of NI 81-102 except that none of the Target Date Funds will comply with sections 2.1, 2.2(1)(a) and 2.5(2)(a) with respect to purchases by the Target Date Funds of securities issued by Active Pools and/or Passive Pools;

3. Before the first time a Fund relies on this Decision, the Fund files a notice in the form found in Appendix C of the Proposed CAP Exemption in each jurisdiction in which the Fund expects to distribute its securities; and

4. (a) the Dealer Registration Relief will terminate upon the coming into force in NI 45-106, proposed National Instrument

31-103 – *Registration Requirements* or another instrument, of a dealer registration exemption for trades in a security of a mutual fund to a CAP, or 60 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to provide such a dealer registration exemption; and

(b) the Prospectus Relief will terminate upon the coming into force in NI 45-106 or another instrument, of a prospectus exemption for trades in a security of a mutual fund to a CAP, or 60 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to provide such a prospectus exemption.

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"David L. Knight"
Commissioner
Ontario Securities Commission

2.1.2 Mulvihill Fund Services Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of manager of mutual funds – change of manager will not result in any material changes to the management and administration of the Funds – unitholders have received timely and adequate disclosure regarding the change of manager and the change is not detrimental to unitholders or the public interest.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(a), 5.7, 19.1.

August 21, 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
MULVIHILL FUND SERVICES INC. (the "Filer")
MULVIHILL CANADIAN MONEY MARKET FUND
MULVIHILL CANADIAN BOND FUND
MULVIHILL GLOBAL EQUITY FUND
MULVIHILL TOTAL RETURN FUND

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for approval of a change of manager of the Funds (as defined below) from the Filer to Ridgewood Capital Asset Management Inc. ("**Ridgewood**") under Section 5.5(1)(a) of National Instrument 81-102 *Mutual Funds* (NI 81-102) (the "**Approval 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 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,

Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland, Northwest Territories, Yukon Territory and Nunavut Territory.

Interpretation

Terms defined in National Instrument 41-101 *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:

1. The Filer is the manager and trustee of each of Mulvihill Canadian Money Market Fund, Mulvihill Canadian Bond Fund, Mulvihill Global Equity Fund and Mulvihill Total Return Fund (each a "**Fund**" and collectively, the "**Funds**").

2. The Filer is a corporation incorporated under the laws of Canada and is not in default of securities legislation in any jurisdiction of Canada. An affiliate of the Filer, Mulvihill Capital Management Inc. ("**MCM**"), is the portfolio adviser and principal distributor of the Funds. The Filer is a wholly-owned subsidiary of MCM.

3. Each Fund is an open-end investment trust governed by a declaration of trust or trust agreement under the laws of the province of Ontario.

4. Each of the Funds is a reporting issuer in all of the provinces and territories of Canada, other than Quebec, and is not in default of securities legislation in any jurisdiction of Canada.

5. The units of the Funds currently are offered under a combined simplified prospectus and annual information form each dated March 7, 2008, as amended by amendment no. 1 thereto dated July 14, 2008, prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, and are subject to NI 81-102.

6. MCM and Ridgewood, among others, entered into a purchase agreement on July 2, 2008 whereby Ridgewood agreed to acquire the mutual fund business of MCM (the "*Transaction*"). Subject to receipt of all necessary regulatory and unitholder approvals and the satisfaction of all other conditions precedent to the Transaction, Ridgewood will become the manager, trustee, portfolio adviser and principal distributor of each Fund. MCM will be retained by Ridgewood to act as adviser of the Total Return Fund. The closing of the Transaction is expected to occur on or about September 1, 2008 (the "*Effective Date*").

7. On the Effective Date, the names of the Funds will be changed as follows:

Current Name	New Name
Mulvihill Canadian Money Market Fund	Ridgewood Canadian Money Market Fund
Mulvihill Canadian Bond Fund	Ridgewood Canadian Bond Fund
Mulvihill Global Equity Fund	Ridgewood Global Equity Fund
Mulvihill Total Return Fund	Ridgewood Total Return Fund

8. After the Effective Date, the Filer will continue to be a wholly owned subsidiary of MCM. The Filer will have no further responsibilities in respect of the Funds after the Effective Date. The Filer will continue to act as manager for certain other closed-end funds that are not relevant to the transaction between MCM and Ridgewood.

9. A press release, amendments to the simplified prospectus and annual information form of the Funds and a material change report have been filed in connection with the announcement of the change of manager.

10. Ridgewood was incorporated on April 14, 2008 under the *Canada Business Corporations Act* and its head office address will be located at Suite 1020, 55 University Avenue, Toronto, Ontario. Ridgewood will acquire MCM's private wealth management business (which includes the mutual fund business) and MCM's institutional asset management business and will focus its operations on those activities. Ridgewood is not in default of securities legislation in any jurisdiction of Canada.

11. The current principal shareholders of Ridgewood are John H. Simpson and Paul W. Meyer who each own 50% of the company indirectly through holding companies controlled by them. As at the Effective Date, MCM will acquire a 25% interest of Ridgewood and Mr. Simpson and Mr. Meyer will each indirectly hold 30%. The remaining interests will be held by employees of Ridgewood.

12. Ridgewood has applied to be registered under the Securities Act (Ontario) and the analogous legislation in the other provinces and territories as an adviser in the categories of investment counsel and portfolio manager (or the equivalent) and a mutual fund dealer (or the equivalent). In addition, Ridgewood has applied to be registered under the *Securities Act* (Ontario) as a limited market dealer. Ridgewood has applied for an exemption from becoming a member of the Mutual Fund Dealers

Association ("**MFDA**") (the applications are collectively, the "**Registration Application**"). Ridgewood does not intend to become a member of the MFDA as its activities as a mutual fund dealer are incidental to its principal activities and will be limited to servicing clients of Ridgewood. The completion of the registration of Ridgewood in accordance with the Registration Application is a condition precedent to the closing of the transactions between MCM and Ridgewood.

13. The names, municipalities of residence, position with Ridgewood and principal occupation of the current directors and officers of Ridgewood are set forth below:

Name and Municipality of Residence	Position with Ridgewood	Principal Occupation
John H. Simpson Toronto, Ontario	Director, Managing Director and Secretary	Senior Vice President, MCM
Paul W. Meyer Oakville, Ontario	Director and Managing Director	Vice President, Equities, MCM

14. The following is a brief biography of each of the officers and directors of Ridgewood:

John Simpson. Mr. Simpson has 30 years investment experience, 13 years with MCM. He has been a Senior Vice President of MCM since April 1995. Prior thereto, he was the President of Fidelity Investments Canada Ltd. from June 1992 to March 1995. Mr. Simpson has an Honours BA (Business Admin) from the University of Western Ontario and a MBA from the University of Windsor. He is also a CFA charter holder. Mr. Simpson is currently registered as an Advising, Trading Officer (resident) for MCM.

Paul Meyer. Mr. Meyer has 18 years investment experience, all with MCM. He has been Vice President, Equities of MCM since October 2004. Mr. Meyer has an Honours B. Commerce from the University of Toronto and is a CFA charter holder. In addition, Mr. Meyer has his Canadian Options course. Mr. Meyer is currently registered as an Advising, Non-Trading Officer (resident) for MCM.

It is anticipated that the individual registrations of Mr. Simpson and Mr. Meyer will be transferred to Ridgewood upon approval of the Registration Application.

15. The Filer considers that the experience and integrity of each of the members of the Ridgewood current management team is apparent by their education and years of experience in the investment industry and has been established and accepted through the granting of registration status.

16. Ridgewood intends to administer the Funds in substantially the same manner as the Filer. There is no current intention to change the investment objectives, strategies or fees and expenses of any Fund. The persons principally responsible for the portfolio management of each Fund will remain the same after the Effective Date. All material agreements regarding the administration of the Funds will either be assigned to Ridgewood by the Filer or Ridgewood will enter into new agreements as required. In either case, the material terms of the material agreements of the Fund will remain the same. Ridgewood will also take steps to ensure that it has appointed any additional officers and directors that may be required in order to properly execute and file any renewal simplified prospectus and annual information for the Funds.

17. On the Effective Date, it is expected that approximately 13 employees of MCM will be transferred to Ridgewood including those individuals that are principally responsible for the portfolio management of the Funds.

18. At special meetings of unitholders of each Fund to be held on August 21, 2008, unitholders of each Fund will be asked to approve the change of manager. A notice of meeting and a management information circular have been mailed to unitholders of the Funds and filed on SEDAR in accordance with applicable securities legislation. The resignation of the Filer as trustee and manager of each Fund will be effective on the Effective Date. On that date, Ridgewood will assume the roles of trustee, manager, portfolio adviser and principal distributor of each Fund under the existing trust agreements of each Fund.

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 Approval Sought is granted.

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

2.1.3 Leith Wheeler Investment Counsel Ltd. et al.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from self-dealing provisions in s. 118 of the Act and s. 115 of the Reg. to permit certain funds to conduct inter-fund trades between mutual funds, pooled funds, and managed accounts – inter-fund trades will comply with conditions in s. 6.1(2) of National Instrument 81-107 – Independent Review Committee for Investment Funds (NI 81-107) including Independent Review Committee approval or client consent – relief also subject to pricing and transparency conditions.

Applicable Legislative Provisions

Securities Act (Ontario), ss. 118(2)(b), 121(2)(a)(ii), 147.
Ontario Regulation 1015 General Regulation, s. 115(6).
National Instrument 81-107 – Independent Review Committee for Investment Funds.

August 29, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

ALBERTA, SASKATCHEWAN, NEW BRUNSWICK,
NOVA SCOTIA, PRINCE EDWARD ISLAND
AND NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF
LEITH WHEELER INVESTMENT COUNSEL LTD.
(the Filer)

AND

IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE A
(each an Existing NI 81-102 Fund and,
collectively, the Existing NI 81-102 Funds)

AND

IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE B
(each an Existing Pooled Fund
and, collectively, the Existing Pooled Funds)

DECISION

Background

The securities regulatory authority or regulator in Ontario has received an application from the Filer, on behalf of the Existing NI 81-102 Funds, the Existing Pooled Funds and managed accounts (the Existing Managed Accounts) that it, or an affiliate of it, manages or acts as portfolio manager for, and in respect of future investment funds (the Future Funds) and future managed accounts (the Future Managed Accounts) that the Filer, or an affiliate of it, will manage or act as portfolio manager for, for a decision under the securities legislation of the jurisdiction of the principal regulator (the Legislation) for an exemption from the prohibition (the Inter-Fund Trading Prohibition) in section 118(2)(b) of the Legislation in order to permit trades (the Inter-Fund/Account Trades) in securities between the Existing Funds, the Future Funds, the Existing Managed Accounts, and the Future Managed Accounts (the Passport Exemption).

The securities regulatory authority or regulator in each of Alberta, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the First Jurisdictions) (the First Coordinated Exemptive Relief Decision Makers) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the prohibition (the Investment Counsel Prohibition) in the Legislation of the First Jurisdictions that prohibits a purchase or sale of a security in which an investment counsel, or any associate of an investment counsel, has a direct or indirect beneficial interest from or to any portfolio managed or supervised by the investment counsel in order to permit the Inter-Fund/Account Trades (the First Coordinated Exemptive Relief).

The securities regulatory authority or regulator in each of Ontario and Newfoundland and Labrador (the Second Jurisdictions) (the Second Coordinated Exemptive Relief Decision Makers and together with the First Coordinated Exemptive Relief Decision Makers, the Coordinated Exemptive Relief Decision Makers) has received an application from the Filer for a decision under the securities legislation of the Second Jurisdictions (the Legislation) for an exemption from the prohibition (the Inter-Fund Trading Prohibition) against a portfolio manager knowingly causing an investment portfolio under its management to purchase or sell securities of any issuer from or to the account of a responsible person, any associate of a responsible person, or the portfolio manager in order to permit the Inter-Fund/Account Trades (the Second Coordinated Exemptive Relief and together with the First Coordinated Exemptive Relief, the Coordinated Exemptive Relief).

Under the Process for Exemptive Relief Applications for Multiple Jurisdictions:

1. the Ontario Securities Commission is the principal regulator for this application,

2. the Filer has provided notice that section 4.7(2) of Multilateral Instrument 11-102 Passport System (MI 11-102) is intended to be relied upon in British

Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, and Nova Scotia,

3. the decision is the decision of the principal regulator, and

4. the decision evidences the decision of each Coordinated Exemptive Relief Decision Maker.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 Definitions, and in National Instrument 81-107 Independent Review Committee for Investment Funds (NI 81-107) have the same meaning in this MRRS Decision Document unless they are otherwise defined in this Decision Document.

NI 81-102 Fund means each Existing NI 81-102 Fund and Future Fund that is subject to NI 81-102.

Pooled Fund means each Existing Pooled Fund and Future Fund that is not a reporting issuer and is not subject to NI 81-102.

Fund means each NI 81-102 Fund and each Pooled Fund.

Managed Account means each Existing Managed Account and Future Managed Account.

Representations

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

1. Each Fund is, or will be, an open-ended mutual fund trust or an open-ended mutual fund corporation.

2. The Filer is, or will be, the manager and/or the portfolio adviser of each Fund.

3. Each NI 81-102 Fund is, or will be, a reporting issuer in one or more of the Jurisdictions. None of the Pooled Funds are, or will be, a reporting issuer in any of the Jurisdictions.

4. Neither the Filer nor any Fund is in default of the securities legislation in any of the Jurisdictions.

5. The Filer is or will be the portfolio manager of each Managed Account.

6. A Fund may be an associate of the Filer, or an affiliate of the Filer, that is a responsible person, and/or an investment counsel in respect of a portfolio of another Fund and/or another Managed Account.

7. The Filer has established, or will establish, an independent review committee (IRC) in respect of each NI 81-102 Fund.

8. The Filer will establish an IRC (which will likely also be the IRC in respect of the NI 81-102 Funds) in respect of each Pooled Fund.

9. The mandate of the IRC of a Pooled Fund will include, among other things, approving purchases and sales of securities between the Pooled Fund and another Pooled Fund, a NI 81-102 Fund, and/or a Managed Account. The IRC of the Pooled Funds will be composed by the Filer in accordance with the requirements of section 3.7 of NI 81-107 and will be expected to comply with the standard of care set out in section 3.9 of NI 81-107. Further, the IRC of the Pooled Funds will not approve purchases and/or sales of securities between a Pooled Fund, another Pooled Fund, a NI 81-102 Fund, and/or a Managed Accounts unless it has made the determination set out in section 5.2(2) of NI 81-107. The IRC of the Pooled Funds will also comply with section 4.5 of NI 81-107.

10. Purchases and sales of securities involving a NI 81-102 Fund will be referred to the IRC of the NI 81-102 Fund under section 5.2(1) of NI 81-107 and will be subject to the requirements of section 5.2(2) of NI 81-107.

11. The investment management agreement or other documentation in respect of a Managed Account will contain the authorization of the client for the portfolio manager to purchase securities from and/or to sell securities to another Managed Account, a NI 81-102 Fund and/or a Pooled Fund.

12. The Filer has determined that it would be in the interests of the NI 81-102 Funds, the Pooled Funds and the Managed Accounts to receive the Requested Relief.

13. The Filer is unable to rely upon the exemption from the Inter-Fund Trading Prohibition and Investment Counsel Prohibition codified under s. 6.1(4) of NI 81-107 in connection with the Inter-Fund Trades with or between the Pooled Funds or the Managed Accounts. Inter-Fund Trades involving only NI 81-102 Funds will be conducted in accordance with the exemption codified under s. 6.1(4) of NI 81-107.

Decision

Each of the principal regulator and the Coordinated Exemptive Relief Decision Makers is satisfied that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

The decision of the principal regulator and the Coordinated Exemptive Relief Decision Makers respectively under the Legislation is that the Passport Exemption and the Coordinated Exemptive Relief are granted provided that:

1. In respect of an Inter-Fund/Account Trade between a NI 81-102 Fund and a Pooled Fund or a Managed Account:

   (a) if the transaction is with a Pooled Fund, the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund on the same terms as are required under section 5.2 of NI 81-107;

   (b) if the transaction is with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction; and

   (c) the transaction complies with paragraphs (b) to (g) of subsection 6.1(2) of NI 81-107.

2. In respect of an Inter-Fund/Account Trade by a Pooled Fund:

   (a) the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund on the same terms as are required under section 5.2 of NI 81-107;

   (b) if the transaction is with another Pooled Fund or a NI 81-102 Fund, the IRC of the other Fund has approved the transaction in respect of the other Fund on the same terms as are required under section 5.2 of NI 81- 107;

   (c) if the transaction is with a Managed Account the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction; and

   (d) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107.

3. In respect of an Inter-Fund/Account Trade by a Managed Account:

   (a) the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction, as does the investment management agreement or other documentation in respect of the other Managed Account, if the transaction is with another Managed Account;

   (b) if the transaction is with a Fund, the IRC of the Fund has approved the transaction in respect of the Fund on the same terms as are required under section 5.2 of NI 81-107; and

   (c) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107.

”Suresh Thakrar”

“Mary Condon”

Schedule A
Existing NI 81-102 Funds

Leith Wheeler Balanced Fund
Leith Wheeler Canadian Equity Fund
Leith Wheeler Fixed Income Fund
Leith Wheeler Money Market Fund
Leith Wheeler U.S. Equity Fund
Leith Wheeler International Equity Plus Fund

Schedule B
Existing Pooled Funds

Leith Wheeler Diversified Pooled Fund
Leith Wheeler Total Return Bond Pooled Fund
Leith Wheeler Long Term Bond Pooled Fund
Leith Wheeler Unrestricted Diversified Pooled Fund
Leith Wheeler US Pension Pooled Fund
Leith Wheeler Total Return Long Bond Pooled Fund
Leith Wheeler Special Canadian Equity Pooled Fund
Leith Wheeler Constrained Fixed Income Pooled Fund

2.1.4 Barrick Gold Corporation and Cadence Energy Inc.

Headnote

Multilateral Instrument 11-02 – Passport System – relief from registration and prospectus requirements to permit issuance of underlying securities of convertible debentures. In the course of a friendly take-over bid, target board elected to modify exchange provisions of convertible debentures previously distributed to the public. Following the change of control, the convertible debentures will be convertible into shares of the offeror, instead of the target. As a result, the registration and prospectus exemptions in section 2.42 of National Instrument 45-106 Prospectus and Registration Exemptionsare technically not available.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).
National Instrument 45-102 Resale of Securities, s. 2.10.

September 3, 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
BARRICK GOLD CORPORATION (THE FILER) AND
CADENCE ENERGY INC. (CADENCE)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the Principal Regulator (the **Legislation**) that the prospectus and dealer registration requirements not apply to the issuance of common shares of the Filer (the **Barrick Shares**) upon the conversion of the convertible debentures of Cadence (the **Convertible Debentures**) into Barrick Shares (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 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 the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, the Yukon territory, the Northwest Territories and Nunavut.

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

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

(a) The Filer is a corporation existing under the *Business Corporations Act* (Ontario). The Filer's head office and principal place of business is Brookfield Place, TD Canada Trust Tower, Suite 3700, 161 Bay Street, P.O. Box 212, Toronto, Ontario, M5J 2S1.

(b) The Barrick Shares are listed on the Toronto Stock Exchange (the **TSX**) and on the New York Stock Exchange (the **NYSE**) under the symbol "ABX".

(c) The Filer is a reporting issuer in each of the provinces and territories of Canada and is not on the lists of defaulting reporting issuers maintained pursuant to the legislation of any such jurisdiction.

(d) Cadence is a corporation existing under the *Business Corporations Act* (Alberta). The common shares of Cadence (the **Cadence Shares**) are listed on the TSX under the symbol "CDS" and the Convertible Debentures are listed on the TSX under the symbol "CDS.DB".

(e) Cadence is a reporting issuer in each of the provinces of Canada and is not on the lists of defaulting reporting issuers maintained pursuant to the legislation of any such jurisdiction.

(f) A receipt was obtained for the prospectus qualifying the distribution of the Convertible Debentures in each of the provinces of Canada on or about June 18, 2007.

(g) If Cadence is acquired by a public company (or its subsidiary), the indenture governing the Convertible Debentures dated June 25, 2007 (the **Debenture Indenture**) allows the board of directors of Cadence to make the Convertible Debentures convertible into shares of the public company acquiror.

(h) On July 30, 2008, the Filer, through its wholly-owned subsidiary, Cadence Acquisition Inc. (the

Offeror), made an offer (the **Offer**) to acquire all of the issued and outstanding Cadence Shares.

(i) Cadence has made the necessary elections under the Debenture Indenture such that after the effective date (the **Change of Control Effective Date**) of the change of control arising from the Offer and any compulsory acquisition or other subsequent acquisition transaction, the Convertible Debentures will be convertible into Barrick Shares.

(j) The adjusted conversion rate for the Convertible Debentures will be determined in accordance with the formula therefor set out in the Debenture Indenture, which is based on the relative market value of the Cadence Shares and the Barrick Shares during the five consecutive trading days prior to the Change of Control Effective Date.

(k) The Filer has applied to the TSX and the NYSE to list the Barrick Shares issuable upon the conversion of the Convertible Debentures from and after the Change of Control Effective Date.

(l) Assuming that the conditions of the Offer (including the minimum tender condition) are satisfied and the Offeror takes up and pays for Cadence Shares pursuant to the Offer, because the Offeror will have acquired more than 66 2/3% of the outstanding Cadence Shares, the Change of Control Effective Date will have occurred.

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 the first trade in Barrick Shares issued upon conversion of the Convertible Debentures is a deemed distribution unless the conditions in paragraphs 2.10(b) and (c) of National Instrument 45-102 *Resale of Securities* are satisfied.

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.1.5 Gatehouse Capital Inc. et al.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Approval of a change of control of a mutual fund manager – Approval is necessary under subsection 5.5(2) of National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(2).

September 9, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

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

AND

IN THE MATTER OF
GATEHOUSE CAPITAL INC.
(THE "FILER" OR THE "MANAGER")
AND GLOBAL CREDIT PREF CORP.
AND TIS PRESERVATION & GROWTH FUND

DECISION

Background

The principal regulator in the Jurisdiction (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") for approval pursuant to subsection 5.5(2) of National Instrument 81-102 Mutual Funds ("**NI 81-102**") of a change of control of the Manager (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 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 Alberta, British Columbia, Manitoba, Newfoundland and Labrador, New Brunswick, Nova Scotia, Prince Edward Island, Quebec and Saskatchewan (together with Ontario, the "**Jurisdictions**").

Interpretation

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

Representations

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

The Manager and the Funds

1. The Manager was incorporated on August 11, 2004 pursuant to the *Business Corporations Act* (Ontario). The Manager is not, to the best of its knowledge, in default of securities legislation in any Jurisdiction.

2. The Manager manages Global Credit Pref Corp. and the TIS Preservation & Growth Fund (collectively, the "**Funds**"), together with Global Credit Trust. The Manager handles and oversees the day-to-day operation of the Funds.

3. Global Credit Pref Corp. is a closed-end mutual fund corporation incorporated under the laws of the Province of Ontario on May 11, 2005. The preferred shares of Global Credit Pref Corp. are listed on the Toronto Stock Exchange. Global Credit Pref Corp. is not a conventional mutual fund and as a result has obtained exemptions from NI 81-102.

4. The TIS Preservation & Growth Fund is an open-end mutual fund trust that was established under the laws of the Province of Ontario pursuant to a trust agreement dated as of March 30, 2007 between the Manager and HSBC Trust Company (Canada) as trustee. Units of the TIS Preservation & Growth Fund are distributed in each province of Canada (except Quebec) under a simplified prospectus and annual information form dated April 8, 2008, as amended on August 11, 2008, prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and NI 81-102.

5. Global Credit Pref Corp. is a reporting issuer under the applicable securities legislation in each province of Canada. The TIS Preservation & Growth Fund is a reporting issuer under the applicable securities legislation in each province of Canada except Quebec. Neither of the Funds is on the list of defaulting reporting issuers maintained under applicable securities legislation in those jurisdictions.

6. First Asset Investment Management Inc. is the investment advisor to Global Credit Pref Corp. Accilent Capital Management Inc. is the investment advisor to the TIS Preservation & Growth Fund, and TIS Group, Inc. has been appointed as the investment sub-advisor to the TIS Preservation & Growth Fund.

The Proposed Acquisition

7. The shareholders of the Manager and the Manager have entered into a share purchase agreement dated August 11, 2008 with Bycke Asset Management Inc. (the "**Purchaser**"), pursuant to which all of the issued and outstanding common shares in the capital of the Manager will be acquired by the Purchaser. The transaction remains subject to the receipt of all applicable regulatory approvals, third party consents and customary closing conditions, and is expected to close on or about November 7, 2008 following receipt of the regulatory approvals and the expiration of the notice period provided for in section 5.8(1)(a) of NI 81-102.

8. The Purchaser was incorporated on August 5, 2008 pursuant to the *Business Corporations Act* (Ontario) to complete the transaction. To the best of the Manager's knowledge, the Purchaser is not in default of securities legislation in any Jurisdiction. The directors and officers of the Purchaser are Mr. David Birkenshaw, Mr. Alan Huycke and Mr. Neil Simon.

9. The Purchaser is owned as to 51% by Birkenshaw & Company Ltd., and as to 49% by Clearview Capital Inc. Clearview Capital Inc. is owned 50% by Mr. Neil Simon and 50% by Clearview Investment Solutions Inc. Clearview Investment Solutions Inc. is indirectly owned by Mr. Alan Huycke and members of his family. Birkenshaw & Company Ltd. is owned 100% by Mr. David Birkenshaw.

Proposed Change of Control

10. The acquisition of the Manager will involve a direct change of control of the Manager. Pursuant to section 5.5(2) of NI 81-102, the approval of the Decision Maker must be obtained prior to the proposed change of control.

11. In connection with certain regulatory requirements applicable to the Funds:

    (a) a press release describing the proposed transaction was issued by the Manager on August 11, 2008 and filed under SEDAR Project Nos. 1302974, 1302976 and 1302978;

    (b) a material change report was filed on August 11, 2008 under SEDAR Project Nos. 1303003, 1303004 and 1303008;

    (c) an amendment to the TIS Preservation & Growth Fund's then current annual information form was filed under SEDAR

Project No. 1223827 in accordance with the fund's continuous disclosure obligations; and

(d) notices regarding the change of control have been posted on SEDAR under SEDAR Project Nos. 1303021 and 1303027 and were sent to security holders of Global Credit Pref Corp. on August 28, 2008 and to security holders of the TIS Preservation & Growth Fund on August 29, 2008, pursuant to section 5.8(1)(a) of NI 81-102.

12. The Purchaser has indicated that the change of control of the Manager will not affect the day-to-day operation and administration of the Funds. All of the current service providers, including the investment advisor and sub-advisor of the Funds, as applicable, are expected to continue in their current roles. The systems, back office, fund accounting and other administrative functions are expected to continue to be operated in the same manner as currently being operated by the Funds and their administrators. The management fees and operating expenses of the Funds will not change as a result of the proposed transaction.

13. While it is expected that there will be some changes to the board of directors of the Manager as well as officers of the Manager, such persons will have had previous experience with one or both Funds, and the directors and officers of the Manager will have the requisite integrity and experience as required under section 5.7(1)(a)(v) of NI 81-102.

14. Upon the close of the transaction, all current members of the Funds' independent review committee (the "**IRC**") are expected to be re-appointed as members of the IRC by the Manager pursuant to section 3.3(5) of National Instrument 81-107 *Independent Review Committee for Investment Funds*.

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.

"Darren McKall"
Assistant Manager, Investment Funds
Ontario Securities Commission

2.1.6 Fairway Energy (06) Flow-Through Limited Partnership et al.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-106, s. 17.1 – Continuous Disclosure Requirements for Investment Funds.

AIF requirement - A fund wants relief from subsection 9.2 of NI 81-106 that requires a fund that does not have a current prospectus as at its financial year end to prepare an annual information form - The issuers are a short-term vehicles formed solely to invest their available funds in flow-through shares of resource issuers; the issuers' securities are not redeemable and there is no secondary trading in the issuers' securities; the issuers' other continuous disclosure documents will provide all relevant information necessary for investors to understand the issuers' business, financial position and future plans.

Proxy voting record - A fund wants relief from subsections 10.3 and 10.4 of NI 81-106 that requires a fund to maintain a proxy voting record and annually to post the proxy voting record on its website - The issuers are short-term vehicles formed solely to invest their available funds in flow-through shares of resource issuers; the issuers' securities are not redeemable and there is no secondary trading in the issuers' securities; the issuers' other continuous disclosure documents will provide all relevant information necessary for investors to understand the issuers' business, financial position and future plans.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, sections 9.2, 10.3, 10.4, 17.1.

September 3, 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
FAIRWAY ENERGY (06) FLOW-THrough Limited Partnership (Fairway 06 Partnership),
FAIRWAY ENERGY (07) FLOW-THROUGH LIMITED PARTNERSHIP (Fairway 07 Partnership),
JOV DIVERSIFIED FLOW-THROUGH 2007 LIMITED PARTNERSHIP (Jov 07 Partnership),
JOV DIVERSIFIED FLOW-THROUGH 2008 LIMITED PARTNERSHIP (Jov 08 Partnership)
(collectively, the Partnerships)
AND
JOV FLOW-THROUGH HOLDINGS CORP. (JFTH)
(together with the Partnerships, the Filers)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filers on behalf of the Partnerships and each future limited partnership promoted by JFTH or its affiliates that is identical to the Partnerships in all respects which are material to this decision (Future Partnerships, and together with the Partnerships, the LPs) for a decision under the securities legislation of the Jurisdictions (the Legislation) for exemptive relief from the requirements to:

(a) prepare and file an annual information form (AIF) pursuant to section 9.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) for each financial year;

(b) maintain a proxy voting record (Proxy Voting Record) pursuant to section 10.3 of NI 81-106; and

(c) prepare and make available to limited partners of the LPs (Limited Partners) the Proxy Voting Record on an annual basis for the period ending on June 30 of each year pursuant to section 10.4 of NI 81-106

(collectively, the Requested Relief).

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

(a) the British Columbia Securities Commission is the principal regulator for this application;

(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 Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, Nunavut and the Northwest Territories; and

(c) this 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 meaning in this decision, unless otherwise defined.

Representations

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

1. the Fairway 06 Partnership, the Fairway 07 Partnership, the Jov 07 Partnership, and the Jov 08 Partnership were each formed pursuant to the provisions of the Partnership Act (British Columbia) on March 10, 2006, December 12, 2006, December 15, 2006 and December 19, 2007, respectively;

2. the Fairway 06 Partnership, the Fairway 07 Partnership, the Jov 07 Partnership, and the Jov 08 Partnership filed a final prospectus relating to its initial public offering in each of the provinces and territories of Canada on September 29, 2006, February 15, 2007, October 10, 2007 and February 26, 2008, respectively, and became a reporting issuer in each of the provinces and territories in Canada; any Future Partnership will be a reporting issuer in each of the provinces and territories in Canada;

3. Fairway Energy (06) Flow-Through Management Corp., Fairway Energy (07) Flow-Through Management Corp., JOV Diversified Flow-Through 2007 Management Corp., and JOV Diversified Flow-Through 2008 Management Corp. are the general partners (collectively, the General Partners) of the Fairway 06 Partnership, the Fairway 07 Partnership, the Jov 07 Partnership, and the Jov 08 Partnership, respectively;

4. JFTH is the promoter of the Partnerships and it or its affiliates will be the promoter of the Future Partnerships; JFTH is the sole shareholder of the General Partners;

5. the principal office address and the registered office address of the Filers are located in Vancouver, British Columbia;

6. the Partnerships were formed, and any Future Partnership will be formed, to invest in certain common shares (Flow-Through Shares) of companies that operate, as their principal business, in any of the precious metals, base metals, minerals, alternative energy or other resource-based industries (Resource Issuers) pursuant to agreements (Investment Agreements) between the applicable LP and the Resource Issuer; under the terms of each Investment Agreement, the LP will subscribe for Flow-Through Shares of the Resource Issuer and the Resource Issuer will agree to incur and renounce to the LP, in amounts equal to the subscription price of the Flow-Through Shares, expenditures in respect of resource exploration and development that qualify as Canadian exploration expense or as Canadian development expense that may be renounced as Canadian exploration expense to the LP;

7. the Fairway 06 Partnership is structured in such a manner that it will be dissolved on or about December 31, 2008; the Fairway 07 Partnership, the JOV 07 Partnership, and JOV 08 Partnership are structured in such a manner that they will be dissolved on or about December 31, 2009; upon such dissolution, the Limited Partners of the respective Partnerships will receive their pro rata share of the net assets of the relevant Partnerships;

8. it is the current intention of the general partners that each Partnership will transfer its assets to an open-end mutual fund corporation in exchange for shares of a class of shares of such mutual fund corporation; upon dissolution, the Limited Partners of each Partnership would receive their pro rata share of the shares of that mutual fund; any Future Partnership will be terminated within three years after it is formed on the same basis as the Partnerships;

9. the LPs are not, and will not be, operating businesses; rather, each LP is, or will be, a short-term special purpose vehicle that will be dissolved within approximately three years of its formation; the primary investment purpose of the LPs is not to achieve capital appreciation, although this is a secondary benefit, but rather to obtain for the Limited Partners the significant tax benefits that accrue when Resource Issuers renounce resource exploration and development expenditures to the LPs through Flow-Through Shares;

10. the units of the LPs (the Units) are not, and will not be, listed or quoted for trading on any stock exchange or market; the Units are not redeemable by the Limited Partners; generally, Units are not transferred by Limited Partners, since Limited Partners must be holders of the Units on the last day of each fiscal year of the LP in order to obtain the desired tax deduction;

11. it is, and will be, a term of the partnership agreement governing the LPs that the general partner of the particular LP has, and will have, the authority to manage, control, administer and operate the business and affairs of the LPs, including the authority to take all measures necessary or appropriate for the business, or ancillary thereto, and to ensure that the LPs comply with all necessary reporting and administrative requirements; JFTH provides or will cause to be provided all of the administrative services required by the LPs;

12. each of the Limited Partners of the LPs has, or will be expected to have, by subscribing for Units, agreed to the irrevocable power of attorney contained in the partnership agreement and has thereby, in effect, consented to the making of this application;

13. since their formation, the Partnerships' activities have been limited to (i) completing the issue of the Units under its respective prospectus, (ii) investing its available funds in accordance with its respective investment objectives, and (iii) incurring expenses as described in its respective prospectus; any Future Partnerships will be structured in a similar fashion;

14. given the limited range of business activities to be conducted by the LPs, the short duration of their existence and the nature of the investment of the Limited Partners, the preparation and distribution of an AIF by the LPs would not be of any benefit to the Limited Partners and may impose a material financial burden on the LPs; upon the occurrence of any material change to a LP, Limited Partners would receive all relevant information from the material change reports the LP is required to file with each of the provinces and territories of Canada;

15. as a result of the implementation of NI 81-106, investors purchasing Units of the LPs were, or will be, provided a prospectus containing written policies on how the Flow-Through Shares or other securities held by the LPs are voted (the Proxy Voting Policies), and had, or will have, the opportunity to review the Proxy Voting Policies before deciding whether to invest in Units;

16. generally, the Proxy Voting Policies require that the securities of companies held by a LP be voted in a manner most consistent with the economic interests of the Limited Partners of the LP;

17. given a LP's short lifespan, the production of a Proxy Voting Record would provide Limited Partners with very little opportunity for recourse if they disagreed with the manner in which the LP exercised or failed to exercise its proxy voting rights, as the LP would likely be dissolved by the time any potential change could materialize;

18. preparing and making available to Limited Partners a Proxy Voting Record will not be of any benefit to the Limited Partners and may impose a material financial burden on the LPs;

19. the Filers are of the view that the Requested Relief is not against the public interest, is in the best interests of the LPs and their Limited Partners and represents the business judgment of responsible persons uninfluenced by considerations other than the best interest of the LPs and their Limited Partners.

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 the Requested Relief is granted.

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

2.1.7 Mackenzie Financial Corporation et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from National Instrument 81-106 Investment Fund Continuous Disclosure to permit mutual funds that invest indirectly in money market funds to provide disclosure in annual and interim management reports of fund performance in a manner applicable to money market funds.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, Items 3.1, 4.1 and 4.3 of Form 81-106F1, Part B and s. 17.1.

September 2, 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
MACKENZIE FINANCIAL CORPORATION
(the "Filer")

AND

IN THE MATTER OF
MACKENZIE SENTINEL CANADIAN
MANAGED YIELD POOL AND
MACKENZIE SENTINEL U.S.
MANAGED YIELD POOL
(together, the "MY Pools")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the MY Pools for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") for an exemption from the following requirements of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106") in order to permit the MY Pools to present disclosure in its interim and annual management reports of fund performance in a manner applicable to money market funds:

1. Item 3.1 of Form 81-106F1, Part B to enable the MY Pools to provide only that disclosure applicable to money market funds;

2. Item 4.1 of Form 81-106F1, Part B to exempt the MY Pools from having to comply with paragraph 15.10(6)(a) of National Instrument 81-102 *Mutual Funds* ("NI 81-102"), provided that the MY Pools comply with paragraph 15.10(6)(b) of NI 81-102; and

3. Item 4.3 of Form 81-106F1, Part B to exempt the MY Pools from including annual compound returns

(collectively, 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 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:

1. The Filer is a corporation incorporated under the laws of Ontario. Its head office is in Toronto.

2. A preliminary simplified prospectus and annual information form (collectively, the "Preliminary Prospectus") has been filed in all the provinces and territories of Canada to qualify Series R shares of the MY Pools for distribution across Canada. However, investment in the MY Pools will only be available to other mutual funds managed by the Filer.

3. The Filer will act as the manager of the MY Pools.

4. The investment objective of the Mackenzie Sentinel Canadian Managed Yield Pool will be to provide tax-efficient returns similar to those of a Canadian money market fund managed by the Filer. It will achieve this objective by investing in equity securities and selling those equity securities to a counterparty by use of a forward contract with the price being equal to the return on

Mackenzie Sentinel Canadian Money Market Pool (the "Canadian Underlying Fund").

5. The investment objective of the Mackenzie Sentinel U.S. Managed Yield Pool will be to provide tax-efficient returns similar to those of a U.S. money market fund managed by the Filer. It will achieve this objective by investing in equity securities and selling those equity securities to a counterparty by use of a forward contract with the price being equal to the return on Mackenzie Sentinel U.S. Money Market Pool (the "U.S. Underlying Fund").

6. The Canadian Underlying Fund and the U.S. Underlying Fund (collectively, the "Underlying Funds") will be managed by the Filer. The Preliminary Prospectus also seeks to qualify for distribution units of the Underlying Funds.

7. The Underlying Funds will be "money market funds" as defined in section 1.1 of NI 81-102.

8. The Filer, the MY Pools and the Underlying Funds are or will be reporting issuers in all of the provinces and territories of Canada and are not in default of any requirements of the securities legislation of those jurisdictions.

9. Because substantially all of the assets of each MY Pool will be invested in units of its Underlying Fund through the use of forward contracts, each MY Pool will not be a "money market fund" as defined in section 1.1 of NI 81-102.

Decision

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

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

"Darren McKall"
Assistant Manager, Investment Funds
Ontario Securities Commission

2.1.8 Sleep Country Canada Income Fund and 7019416 Canada Inc.

Headnote

NP 11-203 – MI 61-101 – take-over bid and subsequent business combination – MI 61-101 requires sending of information circular and holding of meeting in connection with second step business combination – target's declaration of trust provides that a resolution in writing executed by unitholders holding more than 66 2/3% of the outstanding units valid as if such voting rights had been exercised at a meeting of unitholders – relief granted from requirement that information circular be sent and meeting be held – minority approval to be obtained if required under 61-101, albeit in writing rather than at a meeting of unitholders.

Applicable Legislative Provisions

Multilateral Instrument 11-102 – Passport System.
National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdiction.
MI 61-101 – Protection of Minority Security Holders in Special Transactions.

September 10, 2008

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

AND

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

AND

IN THE MATTER OF
THE TAKE-OVER BID FOR
SLEEP COUNTRY CANADA INCOME FUND BY
7019416 CANADA INC.
(the Filer)

DECISION

Background

The principal regulator (the "**Principal Regulator**") in the Jurisdiction has received an application from the Filer, in connection with a take-over bid (the "**Offer**") for Sleep Country Canada Income Fund ("**Sleep Country**"), for a decision pursuant to the securities legislation of the Jurisdiction (the "**Legislation**") that the requirements of the Legislation that:

1. a Compulsory Acquisition or Subsequent Acquisition Transaction (each as defined below), as applicable, be approved at a meeting of the unitholders of Sleep Country (the "**Unitholders**"); and
2. an information circular be sent to the Unitholders in connection with either a Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable;

be waived (collectively, 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 Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 Passport System ("**MI 11-102**") is intended to be relied upon in Quebec.

Interpretation

Defined terms contained in National Instrument 14-101 and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following representations by the Filer:

1. The Filer was incorporated under the Canada Business Corporations Act on July 30, 2008. The Filer's registered and head office is located at 100 Wellington Street West, CP Tower, Suite 2300, P.O. Box 22, Toronto, Ontario and the

Filer is not a reporting issuer. The Filer is owned by Birch Hill Feather LP and Birch Hill Feather US LP (which limited partnerships are managed by Birch Hill Equity Partners Management Inc.) and Westerkirk Capital Inc.

2. Sleep Country is an open-ended limited purpose trust established on March 5, 2003 under the laws of the Province of Ontario by a declaration of trust, as amended and restated on April 13, 2003 (the "**Declaration Trust**"). The registered and head office of Sleep Country is located at 140 Wendell Avenue, Unit #1, Toronto, Ontario. Sleep Country is a reporting issuer or the equivalent in all of the provinces and territories of Canada and files its continuous disclosure documents with the Canadian securities regulatory authorities. The outstanding units of Sleep Country (the "**Units**") are listed on the Toronto Stock Exchange under the symbol Z.UN.

3. The Units are held by CDS Clearing and Depository Services Inc. in book-entry only form.

4. Pursuant to the requirements of National Policy 11-203 and MI 11-102, the Ontario Securities Commission is the principal regulator to review and grant the Exemption Sought as the head office of Sleep Country is located in Ontario.

5. Pursuant to the take-over bid circular dated August 18, 2008 (the "**Circular"**) mailed to the Unitholders and to holders of securities convertible into Units, in connection with the Offer:

   (a) the Offer is for all of the outstanding Units at a price of $22.00 in cash per Unit;

   (b) one of the conditions of the Offer is that the number of Units, which together with the Units owned (i) by the Filer and any of its affiliates and (ii) by Christine Magee and Stephen Gunn, the President and Chief Executive Officer of Sleep Country Canada Inc., respectively (collectively, the "**Senior Officers**"), represent at least 66 2/3% of the outstanding Units on a fully-diluted basis shall have been validly deposited under the Offer and not withdrawn at the expiry of the Offer;

   (c) if the conditions to the Offer are satisfied (or waived by the Filer) and the Filer takes up and pays for the Units deposited pursuant to the Offer, the Filer may proceed with a compulsory acquisition of the Units not deposited to the Offer (a "**Compulsory Acquisition**") as permitted by Sleep Country's Declaration of Trust for the same consideration per Unit as was paid under the Offer, if within 120 days after the date of the Offer, the Offer is accepted by Unitholders holding not less than 90% of the Units (other than Units held at the date of the Offer by or on behalf of the Filer or an affiliate or an associate of the Filer or persons acting jointly or in concert with the Filer);

   (d) in connection with either a Compulsory Acquisition, if available and if the Filer elects to proceed thereunder, or a Subsequent Acquisition Transaction (as defined below), the Filer currently intends to amend the Declaration of Trust by the Written Resolution (as defined below) to provide that non-tendering offerees will be deemed to have elected to transfer and to have transferred their Units to the Filer immediately on the giving of the Filer's notice prescribed by the Declaration of Trust notifying non-tendering offerees that, among other things, the Filer is entitled to acquire their Units by way of Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable (as opposed to 20 days after sending of an Filer's notice, as currently provided) (the "**Notice Amendment**");

   (e) if a Compulsory Acquisition as permitted under the Declaration of Trust is not available to the Filer or the Filer elects not to proceed under those provisions, the Filer currently intends to acquire the Units not deposited to the Offer (other than those held by its affiliates and the Senior Officers) by:

      (i) causing the Declaration of Trust to be amended as permitted pursuant to its terms (the "**Threshold Amendment**") to provide that a transaction to acquire all of the Units not tendered to the Offer which could include, (a) the redemption of all of the outstanding Units (other than Units designated by the Filer) at the Offer Price, (b) amendments to the Declaration of Trust to facilitate the implementation of such transactions and consequential matters (including amendments to permit or provide for the compulsory acquisition by the Filer of the Units and/or the redemption of the Units) and (c) a meeting and/or written resolutions of Unitholders to approve such transactions, the amendments to the Declaration of Trust and consequential matters and which may be effected by way of arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other transaction involving Sleep Country, its affiliates and the Filer or an affiliate of the Filer (a "**Subsequent Acquisition Transaction**") may be effected if the Filer, its affiliates and the Senior Officers, after take-up of and payment for the Units deposited under the Offer, hold not less than 66 2/3% of the Units calculated on a fully-diluted basis or to make such other amendment as is necessary and permitted under the Declaration of Trust, in order to provide for the acquisition of the Units not deposited to the Offer in each case at the same price as the price paid under the Offer;

(ii) causing the Declaration of Trust to be amended as permitted pursuant to its terms (the "**Acquisition Amendment**") to provide that the Filer may exclude Units held by its affiliates and the Senior Officers from the Units to be transferred to the Filer pursuant to the giving of the Filer's notice prescribed by the Declaration of Trust, as amended by the Notice Amendment; and

(iii) proceeding with a Compulsory Acquisition, if available and if the Filer elects to proceed thereunder, or a Subsequent Acquisition Transaction in respect of the Units not deposited to the Offer as permitted by the Declaration of Trust as amended by the Notice Amendment, the Threshold Amendment and the Acquisition Amendment:

(f) in order to effect either a Compulsory Acquisition, if available and if the Filer elects to proceed thereunder, or a Subsequent Acquisition Transaction in accordance with the foregoing, rather than seeking the Unitholders' approval at a special meeting of the Unitholders to be called for such purpose, the Filer intends to rely on section 12.10 of the Declaration of Trust, which specifies that a resolution in writing (the "**Written Resolution**") circulated to all Unitholders and executed by Unitholders holding more than 66 2/3% of the outstanding Units entitled to be voted on such resolution, if such resolution is a special resolution, is as valid and binding as if such resolution had been passed at a meeting of Unitholders duly called for the purpose; which Written Resolution will approve, among other things, the Notice of Amendment, the Threshold Amendment, the Acquisition Amendment and any Compulsory Acquisition or Subsequent Acquisition Transaction undertaken in accordance therewith, as applicable;

(g) if the Filer is unable to effect either the Compulsory Acquisition or the Subsequent Acquisition Transaction in the manner described above, the Filer reserves the right, to the extent permitted by applicable law and subject to the terms and conditions of the Support Agreement made as of August 14, 2008 between Sleep Country and the Filer (a copy of which will be filed on SEDAR on August 18, 2008) to (i) purchase additional Units in the open market or in privately negotiated transactions, in another take-over bid or exchange offer or otherwise or from Sleep Country, or (ii) take no further action to acquire additional Units. Alternatively, the Filer may sell or otherwise dispose of any or all Units acquired pursuant to the Offer or otherwise;

(h) notwithstanding section 12.10 of the Declaration of Trust, in certain circumstances, the Legislation requires that the Compulsory Acquisition or the Subsequent Acquisition Transaction, as applicable, be approved at a meeting of Unitholders called for that purpose;

(i) to effect either a Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable, the Filer will, if required, obtain minority approval, as that term is defined in the Legislation, calculated in accordance with the terms of Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (the "**Minority Approva**l"), albeit not at a meeting of Unitholders, but by Written Resolution; and

(j) the Circular provided to Unitholders in connection with the Offer contains all disclosure required by applicable securities laws, including without limitation, the disclosure required under the take-over bid provisions and form requirements of applicable securities legislation and the provisions of Multilateral Instrument 61-101 relating to the disclosure required to be included in information circulars distributed in respect of business combinations.

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 Minority Approval, if required, shall have been obtained by Written Resolution.

"Naizam Kanji"
Manager
Ontario Securities Commission

2.2 Orders

2.2.1 NeoNet Securities, Inc. - s. 211 of the Regulation

Application in connection with application for registration as an international dealer, for an order pursuant to section 211 of the Regulation exempting the applicant from the requirement in subsection 208(2) of the Regulation that the applicant carry on the business of an underwriter in a country other than Canada to be able to register in Ontario as an international dealer.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 100(2), 208(2), 211.

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

AND

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

AND

IN THE MATTER OF
NEONET SECURITIES, INC.

ORDER
(Section 211 of the Regulation)

UPON the application (the **Application**) of NeoNet Securities, Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 211 of the Regulation, exempting the Applicant from the requirement in subsection 208(2) of the Regulation that the Applicant carry on the business of an underwriter in a country other than Canada for the Applicant to be registered under the Act as a dealer in the category of international dealer;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is formed under the laws of the state of Delaware, United States of America, with its principal place of business located in Jersey City, New Jersey.

2. The Applicant is registered in the United States as a broker-dealer with the Securities and Exchange Commission.

3. The Applicant does not currently carry on business as an underwriter in the United States or in any other jurisdiction.

4. The Applicant has filed an application for registration under the Act as a dealer in the category of international dealer in accordance with section 208 of the Regulation. The Applicant is not currently registered in any capacity under the Act.

5. In the absence of the relief requested in this Application, the Applicant would not meet the requirements of the Regulation for registration as an international dealer as the Applicant does not carry on the business of an underwriter in a country other than Canada.

6. The Applicant does not now act as an underwriter in Ontario and will not act as an underwriter in Ontario if it is registered under the Act as a dealer in the category of international dealer, despite the fact that subsection 100(2) of the Regulation provides that the registration of an international dealer authorizes the dealer to act as an underwriter for the sole purpose of making a distribution that it is authorized to make by section 208 of the Regulation.

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

IT IS ORDERED, pursuant to section 211 of the Regulation, that, in connection with the registration of, the Applicant as a dealer under the Act in the category of international dealer, the Applicant is exempt from the provisions of subsection 208(2) of the Regulation requiring that the Applicant carry on the business of an underwriter in a country other than Canada, provided that, so long as the Applicant is registered under the Act as an international dealer:

(a) the Applicant carries on the business of a dealer, in good standing, in a country other than Canada; and

(b) notwithstanding subsection 100(2) of the Regulation, the Applicant shall not act as an underwriter in Ontario.

August 29, 2008

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

"Mary G. Condon"
Commissioner
Ontario Securities Commission

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

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

AND

IN THE MATTER OF
SUNWIDE FINANCE INC., SUN WIDE GROUP,
SUN WIDE GROUP FINANCIAL
INSURERS & UNDERWRITERS,
BRYAN BOWLES, ROBERT DRURY,
STEVEN JOHNSON, FRANK R. KAPLAN,
RAFAEL PANGILINAN,
LORENZO MARCOS D. ROMERO,
AND GEORGE SUTTON

ORDER
(Sections 127(1) & 127(8) of the Securities Act)

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

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

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

AND WHEREAS Staff served Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Bryan Bowles, Steven Johnson, Frank R. Kaplan, and George Sutton by fax and email, while attempted service on Wi-Fi Framework Corporation was unsuccessful;

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

AND WHEREAS the Commission ordered that the Temporary Order be extended to March 4, 2008 and that the hearing be adjourned to that date;

AND WHEREAS the Commission held a Hearing on March 4, 2008, none of the respondents attended before the Commission, and the Commission ordered that the Temporary Order be extended to July 22, 2008 and that the hearing be adjourned to that date;

AND WHEREAS the Commission held a Hearing on July 22, 2008, none of the respondents attended before the Commission, and the Commission ordered that the Temporary Order be extended to September 4, 2008 and that the hearing be adjourned to September 3, 2008;

AND WHEREAS the Commission issued a Notice of Hearing and Statement of Allegations on August 21, 2008;

AND WHEREAS the Statement of Allegations named three respondents not previously named on the Temporary Order, being Robert Drury, Lorenzo Marcos D. Romero, and Rafael Pangilinan, and removed Wi-Fi Framework Corporation as a respondent;

AND WHEREAS the Commission held a Hearing on September 3, 2008 and none of the respondents attended before the Commission;

AND WHEREAS on September 3, 2008 Staff filed with the Commission the affidavit of service of Louisa Tong sworn on September 3, 2008, which deposed that Staff had made its best efforts to provide notice of the Statement of Allegations and Notice of Hearing to the respondents;

AND WHEREAS Staff requested that a hearing on the merits be set down for the first available hearing date;

AND WHEREAS the Commission is of the opinion that this matter should be set down for a hearing on the merits on November 19, 2008, commencing at 10:00 a.m., with that date to be communicated to the respondents by Staff in the same manner in which service has been previously attempted;

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

AND WHEREAS pursuant to section 127(8) of the Act satisfactory information has not been provided to the Commission by any of the respondents;

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

IT IS HEREBY ORDERED pursuant to section 127(8) of the Act that the Temporary Order, as amended to reflect the addition of Robert Drury, Lorenzo Marcos D. Romero and Rafael Pangilinan, as respondents, and the removal of Wi-Fi Framework Corporation as a respondent, is extended until the completion of the hearing on the merits.

IT IS FURTHER ORDERED that the Hearing is adjourned to November 19, 2008 at 10:00 a.m., whereupon the hearing on the merits will begin.

DATED at Toronto this 4th day of September 2008.

"James E. A. Turner"

"Carol S. Perry"

2.2.3 NeoNet Securities AB - s. 211 of the Regulation

Application in connection with application for registration as an international dealer, for an order pursuant to section 211 of the Regulation exempting the applicant from the requirement in subsection 208(2) of the Regulation that the applicant carry on the business of an underwriter in a country other than Canada to be able to register in Ontario as an international dealer.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss.100(2), 208(2), 211.

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

AND

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

AND

IN THE MATTER OF
NEONET SECURITIES AB

ORDER
(Section 211 of the Regulation)

UPON the application (the **Application**) of NeoNet Securities AB (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 211 of the Regulation, exempting the Applicant from the requirement in subsection 208(2) of the Regulation that the Applicant carry on the business of an underwriter in a country other than Canada for the Applicant to be registered under the Act as a dealer in the category of international dealer;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is formed under the laws of the state of Sweden, with its principal place of business located in Stockholm, Sweden.

2. The Applicant is registered in Sweden as a dealer with the Swedish Securities Dealers' Association.

3. The Applicant does not currently carry on business as an underwriter in Sweden or in any other jurisdiction.

4. The Applicant has filed an application for registration under the Act as a dealer in the category of international dealer in accordance with section 208 of the Regulation. The Applicant is not currently registered in any capacity under the Act.

5. In the absence of the relief requested in this Application, the Applicant would not meet the requirements of the Regulation for registration as an international dealer as the Applicant does not carry on the business of an underwriter in a country other than Canada.

6. The Applicant does not now act as an underwriter in Ontario and will not act as an underwriter in Ontario if it is registered under the Act as a dealer in the category of international dealer, despite the fact that subsection 100(2) of the Regulation provides that the registration of an international dealer authorizes the dealer to act as an underwriter for the sole purpose of making a distribution that it is authorized to make by section 208 of the Regulation.

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

IT IS ORDERED, pursuant to section 211 of the Regulation, that, in connection with the registration of, the Applicant as a dealer under the Act in the category of international dealer, the Applicant is exempt from the provisions of subsection 208(2) of the Regulation requiring that the Applicant carry on the business of an underwriter in a country other than Canada, provided that, so long as the Applicant is registered under the Act as an international dealer:

(a) the Applicant carries on the business of a dealer, in good standing, in a country other than Canada; and

(b) notwithstanding subsection 100(2) of the Regulation, the Applicant shall not act as an underwriter in Ontario.

August 29, 2008.

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

"Mary G. Condon"
Commissioner
Ontario Securities Commission

2.2.4 Peter George Lee - s. 144

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

AND

IN THE MATTER OF
PETER GEORGE LEE

ORDER
(Section 144)

WHEREAS on July 2, 2008, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act* (the "Act"), accompanied by Staff's Statement of Allegations, in relation to a hearing to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and the Respondent Peter George Lee ("Lee");

AND WHEREAS the Respondent entered into a settlement agreement dated July 2, 2008 (the "Settlement Agreement") in which the Respondent agreed to a settlement of this proceeding, subject to the approval of the Commission;

AND WHEREAS, on July 3, 2008, the Commission made an order approving the Settlement Agreement (the "July 3 Order");

AND UPON reviewing the Notice of Motion in writing of Staff of the Commission and the consent of Peter George Lee, and upon considering the proposed variation to the July 3 Order to add a reference to s. 3.4(2) of the Act;

AND WHEREAS the Commission is of the opinion that it is not prejudicial to the public interest to make this Order;

IT IS ORDERED THAT:

Pursuant to s. 144 of the Act, paragraph 6 of the July 3 Order is varied to order as follows:

6. Lee shall pay an administrative penalty of $13,000 immediately for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act; and

DATED at Toronto this 8th day of July, 2008.

"Suresh Thakrar"

"David L. Knight"

2.2.5 Valucap Investments Inc. - s. 144

Headnote

Application by an issuer for an order revoking a cease trade order made by the Commission - cease trade order issued as a result of the issuer's failure to file certain continuous disclosure documents required by Ontario securities law - defaults subsequently remedied by bringing continuous disclosure filings up-to-date - cease trade order revoked.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
VALUCAP INVESTMENTS INC.

ORDER
(Section 144)

WHEREAS a Director of the Ontario Securities Commission (the **Commission**) issued a temporary cease trade order dated September 3, 2004 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by an order dated September 15, 2004 pursuant to paragraph 2 of subsection 127(1) of the Act (together, the **Ontario Cease Trade Order**) which provided that all trading in the securities of Valucap Investments Inc. (the **Applicant**) shall cease until further order by the Director;

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act for a revocation of the Ontario Cease Trade Order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is governed by the laws of the Yukon Territory, with its head office located in Toronto, Ontario.

2. The Applicant is a reporting issuer in Ontario, British Columbia and Alberta with Ontario being its principal regulator.

3. The Applicant's authorized share capital consists of an unlimited number of common shares (the **Common Shares**) of which 2,820,733 Common Shares are issued and outstanding. The Applicant also has a promissory note in the amount of $161,997 issued to Seaquest Corporation due on 30 days demand notice (the **Promissory Note**).

4. Other than the Common Shares and the Promissory Note, the Applicant has no securities (including debt securities) outstanding.

5. Prior to the issuance of the Ontario Cease Trade Order, the Applicant was an investment issuer involved in developing small to mid-cap technology companies with high growth potential. Upon revocation of the Ontario Cease Trade Order, the Applicant intends to continue to be an investment issuer that provides equity and convertible capital to undervalued, under-performing and emerging growth Canadian companies.

6. The Ontario Cease Trade Order was issued as a result of the Applicant's failure to file audited annual financial statements for the year ended March 31, 2004 and interim financial statements for the three-month period ended June 30, 2004 (the **Continuous Disclosure Documents**).

7. The Continuous Disclosure Documents were not filed due to the Applicant's financial difficulties. The Applicant effectively ceased operations beginning in 2004, at which time, its securities were cease traded in Ontario, British Columbia and Alberta.

8. Due to the Applicant's financial difficulties, the Applicant's Common Shares which were previously listed on the TSX Venture Exchange (the **TSX-V**) were transferred to the NEX board on January 21, 2005, where they currently remain listed. The NEX board provides a trading forum for listed companies that have low levels of business activity or that have ceased to carry on an active business and thus have fallen below the TSX-V's listing standards.

9. The Applicant has been subject to a cease trade order issued by (i) the British Columbia Securities Commission dated September 1, 2004 for failure to file the comparative financial statements for the year ended March 31, 2004, interim financial statements for the three-month period ended June 30, 2004 and management's discussion and analysis for the period ended June 30, 2004 (the **B.C. Cease Trade Order**); and (ii) the Alberta Securities Commission dated February 25, 2005 for failure to file audited annual financial statements for the year ended March 31, 2004, first quarter interim unaudited financial statements for the period ended June 30, 2004 and second quarter interim unaudited financial statements for the period ended September 30, 2004 (the **Alberta Cease Trade Order**).

10. Given the inactivity of the Applicant since 2004, the Applicant has not filed on SEDAR its audited annual financial statements and supporting documentation for the fiscal periods ended March 31, 2004 and 2005 (collectively, the **Unfiled Financial Statements**) because the Applicant believes that the Unfiled Financial Statements would not provide additional useful information concerning the present or future operations or financial circumstances of the Applicant as the Applicant was inactive during this period. The Unfiled Financial Statements were also not sent to the shareholders of the Applicant because the Applicant was inactive and did not have the funds necessary to prepare or distribute such statements.

11. Since the imposition of the Ontario Cease Trade Order, Jeffrey Watts has resumed his role as President and Chief Executive Officer of the Applicant, Vince Bulbrook has joined the Applicant as Chief Financial Officer and Antonio Cosentino has become a Director of the Applicant. Cynthia Lewis and Magaly Bianchini have remained in their roles as directors of the Applicant.

12. The Applicant has not had any other "material changes" within the meaning of the Act since the imposition of the Ontario Cease Trade Order and is not in default of the requirements to file material change reports under applicable securities legislation.

13. On August 19, 2008, the Applicant filed on SEDAR its audited annual financial statements for the fiscal periods ended March 31, 2006, 2007, and 2008 including management's discussion and analysis for such periods as required under National Instrument 51-102 *Continuous Disclosure Obligations* and accompanying certificates as required under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filed Continuous Disclosure Documents**).

14. The Applicant is up-to-date with its continuous disclosure obligations and has paid all required outstanding fees to the Commission.

15. The Applicant's SEDAR and SEDI profiles are up-to-date.

16. Except for the Unfiled Financial Statements, the Applicant is not in default of any of its obligations as a reporting issuer under the Act or the rules and regulations made pursuant thereto.

17. Other than the Ontario Cease Trade Order, the B.C. Cease Trade Order and the Alberta Cease Trade Order (each a **Cease Trade Order**), the Applicant has not previously been subject to a cease trade order.

18. The Applicant has applied to have each of the Cease Trade Orders concurrently revoked.

19. The Applicant has received financial backing and is preparing to recommence operations as an investment issuer on behalf of its shareholders.

20. Given the inactivity of the Applicant since 2004, the Applicant has not held an annual general meeting of shareholders since September 2003. The Applicant will file a notice of meeting and record date to hold an annual and special meeting of shareholders within three months of the date hereof to: (a) receive the Applicant's audited financial statements for the fiscal periods ended March 31, 2006, 2007 and 2008 and each of the reports of the auditors thereon; (b) elect directors; (c) approve the Applicant's stock option plan; and (d) conduct such other business as required by applicable law. In connection with the annual and special meeting of shareholders, the Applicant will deliver, at the appropriate time, the requisite meeting materials, including a management information circular, to its shareholders.

21. Upon the issuance of this revocation order, the Applicant will issue and file a news release and a material change report on SEDAR.

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

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order;

I**T IS ORDERED**, pursuant to section 144 of the Act, that the Ontario Cease Trade Order is revoked.

DATED at Toronto this 26th day of August 2008.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.2.6 Banco do Brasil Securities LLC - s. 211 of the Regulation

Application in connection with application for registration as an international dealer, for an order pursuant to section 211 of the Regulation exempting the applicant from the requirement in subsection 208(2) of the Regulation that it carry on the business of an underwriter in a country other than Canada to be able to register in Ontario as an international dealer.

September 5, 2008

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

AND

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

AND

IN THE MATTER OF
BANCO DO BRASIL SECURITIES LLC

ORDER
(Section 211 of the Regulation)

UPON the application (the **Application**) of Banco do Brasil Securities LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 211 of the Regulation, exempting the Applicant from the requirement in subsection 208(2) of the Regulation that the Applicant carry on the business of an underwriter in a country other than Canada in order for the Applicant to be registered under the Act as a dealer in the category of international dealer;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant has filed an application for registration as a dealer under the Act in the category of international dealer in accordance with section 208 of the Regulation. The Applicant is not currently registered in any capacity under the Act.

2. The Applicant is a limited liability company organized under the laws of New York. The Applicant's principal place of business is located at 600 Fifth Avenue, 3rd Floor, New York, New York, U.S.A.

3. The Applicant is a broker-dealer currently registered with the United States Securities and

Exchange Commission and a member of The Financial Industry Regulatory Authority.

4. The Applicant does not currently act as an underwriter in the United States or in any other jurisdiction.

5. In the absence of the relief requested in this Application, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of international dealer as the Applicant does not carry on the business of an underwriter in a country other than Canada.

6. The Applicant does not currently act as an underwriter in Ontario and the Applicant will not act as an underwriter in Ontario if it is registered under the Act as a dealer in the category of international dealer, notwithstanding the fact that subsection 100(2) of the Regulation provides that the registration of an international dealer authorizes the dealer to act as an underwriter for the sole purpose of making a distribution that it is authorized to make by section 208 of the Regulation.

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

IT IS ORDERED, pursuant to section 211 of the Regulation, that, in connection with the registration of the Applicant as a dealer under the Act in the category of international dealer, the Applicant is exempt from the provisions of subsection 208(2) of the Regulation requiring that the Applicant carry on the business of an underwriter in a country other than Canada, provided that, so long as the Applicant is registered under the Act as an international dealer:

a. the Applicant carries on the business of a dealer in good standing in a country other than Canada; and

b. notwithstanding subsection 100(2) of the Regulation, the Applicant shall not act as an underwriter in Ontario.

“Lawrence E. Ritchie”
Vice-Chair
Ontario Securities Commission

“Margot C. Howard”
Commissioner
Ontario Securities Commission

2.2.7 Patricia McLean - ss. 127, 127.1

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

AND

IN THE MATTER OF
PATRICIA MCLEAN ("McLean")

ORDER
(Sections 127 and 127.1)

WHEREAS on July 11, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Act in respect of McLean and others;

AND WHEREAS McLean and Staff of the Commission entered into a settlement agreement dated September 8, 2008 (the "Settlement Agreement") in which they agreed to a settlement of the proceeding subject to the approval of the Commission;

AND WHEREAS the Commission has reviewed the Settlement Agreement and has heard the submissions from counsel for McLean and for Staff of the Commission;

AND WHEREAS McLean has undertaken to the Commission that she will not apply to the Commission for registration in any capacity contemplated by the Act for a period of five (5) years;

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

IT IS HEREBY ORDERED THAT:

1. The Settlement Agreement attached to this Order is hereby approved;

2. Pursuant to section 127 of the Act:

   a. McLean shall cease trading in any securities for a period of five (5) years with the exception that McLean will be permitted to trade in securities in one RRSP account in her name and one non-RRSP account in her name (collectively, the "Personal Accounts"), and in one corporate account (the "Corporate Account"), each account to be held at a full service dealer registered with the Commission (which accounts have been identified by McLean in writing to Staff of the Commission), if:

      (i) with respect to the Corporate Account, any trading is limited to trading only in Government of Canada Treasury Bills;

      (ii) with respect to the Personal Accounts,

         (a) the securities traded are listed on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, NASDAQ or the Chicago Board Options Exchange; or

         (b) the securities traded are referred to in clauses 1 or 2 of subsection 35(2) of the Act; and

         (c) neither McLean nor any member of her family is an insider, partner or promoter of the issuer of the securities; and

         (d) McLean does not own directly or indirectly more than one percent of the outstanding securities of any class of the issuer.

   b. Any exemptions contained in Ontario securities law shall not apply to McLean for a period of five (5) years from the date of this Order;

   c. McLean shall be reprimanded;

d. McLean shall be banned for a period of ten (10) years from acting as an officer or director of any reporting issuer or registrant; and

3. Pursuant to section 127.1 of the Act, McLean shall pay the costs of the investigation of this matter in the amount of $10,000.00 within 90 days of this Order.

Dated at Toronto on this 8th day of September 2008.

“James E. A. Turner”

“Margot C. Howard”

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

AND

IN THE MATTER OF
JOHN ILLIDGE,
PATRICIA McLEAN,
DAVID CATHCART,
STAFFORD KELLEY, and
DEVENDRANAUTH MISIR

SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE COMMISSION
and PATRICIA McLEAN ("McLean")

I. INTRODUCTION

1. By Notice of Hearing dated July 11, 2005, the Ontario Securities Commission (the "Commission") announced that it would hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the Ontario Securities Act, R.S.O. 1990, c.S.5, as amended (the "Act"), it is in the public interest to make an order that:

(i) McLean's registration be suspended, restricted or subjected to terms and conditions;

(ii) McLean be prohibited from trading in any securities;

(iii) McLean be prohibited from using any exemptions contained in Ontario securities law;

(iv) Mclean be reprimanded;

(v) McLean resign any position she currently holds as an officer or director of any issuer;

(vi) McLean be banned from acting as an officer or director of any issuer;

(vii) McLean pay costs of the investigation of this matter; and,

(viii) such other order as the Commission may deem appropriate.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") recommend settlement of the proceeding initiated in respect of McLean in accordance with the terms and conditions set out below. McLean consents to the making of an order against her in the form attached as Schedule "A" on the basis of the facts set out below.

III. ACKNOWLEDGEMENT

3. McLean agrees with the facts and conclusions set out in Part IV of this agreement solely for the purpose of this proceeding. McLean expressly denies that the terms of this agreement are intended to be an admission of liability, misconduct, or wrongdoing by her in any other context to any person or company or other entity.

IV. AGREED FACTS

A. Hucamp Mines Ltd.

4. Hucamp Mines Ltd. ("Hucamp"), a junior mining company, was a reporting issuer in Ontario until becoming dormant in early 2002. Until October 9, 2000 common shares in Hucamp were quoted on the Canadian Dealing Network ("CDN"). From October 10, 2000 until early 2002 when trading was halted, common shares in Hucamp were listed for trading on the CDNX Exchange.

B. Patricia McLean

5. Patricia McLean ("McLean") was a director of Hucamp from March 1996 until June 30, 2001. McLean was also the Secretary of Hucamp from January 2000 until her termination in May, 2001.

6. McLean was also a member of the corporate finance department of Rampart Securities Inc. ("Rampart"), a Toronto brokerage house, beginning in December, 1999 until February 2001. Rampart was a member of the IDA until its membership was terminated on January 21, 2002. McLean was a registered representative with Rampart between February 2000 and February 2001.

C. The Other Respondents

i. John Illidge

7. John Illidge ("Illidge") was the President and CEO of Hucamp from March, 1996 until May, 2001. He was Chairman of Hucamp from May, 2001 until September 6, 2001.

8. Illidge was also a Director of Rampart Mercantile Inc. ("Mercantile") from December, 1999 until his resignation on September 19, 2001. Mercantile was the parent corporation of Rampart.

ii. David Cathcart

9. David Cathcart ("Cathcart") was a registered representative with Rampart from December 1999 to August 2001.

iii. Stafford Kelley

10. Stafford Kelley ("Kelley") is the President of Medallion Capital Corporation ("Medallion"), a company that offers investor relations consulting services to Canadian companies. Kelley and Medallion provided investor relation services to Hucamp beginning on January 3, 2001.

iv. Devendranauth Misir

11. Devendranauth Misir ("Misir") is a Toronto businessman, financial advisor and lawyer, at the firm of Misir & Co. He is not registered with the Commission in any capacity.

D. Hucamp Private Placements

12. In 2000 and 2001, Hucamp entered into a series of private placements.

a. May 12, 2000

13. Hucamp's public file reflects a private placement dated May 12, 2000. Hucamp announced its "completion" by press release on July 7, 2000. The press release was authorized by McLean, among others, and named McLean as Hucamp's contact person for further information about the private placement.

14. The private placement involved 2.0 million units, each unit being comprised of one Hucamp share and one "series B warrant" which was exercisable to purchase 1 common share for $0.20 until June 25, 2003.

15. The placees in this private placement were Southampton Capital Limited ("Southampton"), a company owned by McLean, which received 600,000 units for $150,000; MPH Consulting Inc. ("MPH"), a geological consulting company, which was to receive 600,000 units for $150,000; and Elkhorn Capital ("Elkhorn"), a private investment company, which received 800,000 units for $200,000.

16. 600,000 and 800,000 units were issued to Southampton and Elkhorn, respectively.

17. The 600,000 units that were to have been placed with MPH were never issued to them. This fact was never disclosed to the public.

18. At the time of the press release on July 7, 2000, the third placee (ultimately Elkhorn) had not yet been identified. This fact was never disclosed to the public.

19. Elkhorn was not at arm's length to Hucamp or Illidge. This fact was not disclosed to the public.

20. In relation to this private placement, McLean's conduct was contrary to the public interest in the following respect:

a. McLean authorized a press release that purported to announce the "completed" private placement when, in fact, (i) one of the placees had not yet been identified; (ii) units had not been issued to another of the placees; and (iii) payment to Hucamp for the units for the placement was not complete on July 7, 2000. These matters were never corrected in Hucamp's public disclosure.

b. June 26, 2000 and June 30, 2000

21. Hucamp's public file reflects a private placement dated June 26, 2000. Hucamp announced the "completion" of this placement to "arm's length parties" by press release on August 23, 2000. This transaction involved 1.0 million units, each unit being comprised of one Hucamp share at $0.25 and one "series D warrant" which was exercisable to purchase 1 common share for $0.28 until June 28, 2003.

22. The placees in this private placement, the identities of which were not publicly disclosed, were Atlas Securities Inc. ("Atlas"), a brokerage house in Turks & Caicos, B.W.I., which was to receive 400,000 units for $100,000; and Elkhorn, which received 600,000 units for $150,000.

23. Hucamp's public file reflects a private placement dated June 30, 2000. Hucamp announced the "completion" of this placement to "arm's length parties" by the same August 23, 2000 press release. This transaction involved 1.0 million units, each unit being comprised of one Hucamp share at $0.29 and one "series F warrant" which was exercisable to purchase 1 common share for $0.50 until June 30, 2003.

24. Atlas, a placee subscriber in this private placement, was to receive 1,000,000 units for $290,000.

25. Elkhorn was issued 400,000 units.

26. At the time of the press release on August 23, 2000, one of the placees (ultimately Elkhorn) had not yet been identified.

27. A total of 1.8 million units of the June 26, 2000 and June 30, 2000 private placements were issued to Atlas by virtue of these two private placements. These units were divided equally between accounts at Atlas held by Illidge, Misir and Scott Turner. These facts were never publicly disclosed.

28. Atlas was not at arm's length to Illidge or Hucamp. Elkhorn was not at arm's length to Illidge or Hucamp. These facts were not publicly disclosed.

29. In relation to this private placement, McLean's conduct was contrary to the public interest in the following respect:

a. McLean authorized a press release that purported to announce the "completed" private placement when, in fact, one of the placees had not yet been identified.

b. McLean authorized a press release which incorrectly noted that Atlas in these two private placements was at arm's length to Hucamp when in fact it was not at arm's length to either Illidge or Hucamp, facts which McLean might have known through the exercise of due diligence.

E. Trading in Hucamp Shares

30. Between October, 2000 and November, 2001, the market in Hucamp shares was subjected to abusive trading practices.

31. Between October, 2000 and March 2001, McLean had Southampton accounts that traded in Hucamp shares at 3 different investment dealers (the "Southampton Accounts").

32. Between October, 2000 and March 2001, the Southampton Accounts were used in connection with the abusive trading practices to which Hucamp shares were subjected in the following ways:

(i) the Southampton accounts acquired substantial volumes of the available Hucamp shares;

(ii) trades were effected using jitneys;

(iii) trades were effected creating the appearance of high volume trading;

(iv) the Southampton Accounts effected a "wash trade" on November 21, 2000. This wash trade was the last trade of the day and effected a high closing; and

(v) the Southampton Accounts were used to effect up-ticks and high-closings.

33. McLean allowed the Southampton Accounts to be used in the ways described in the preceding paragraph and thereby acted in a manner contrary to the public interest.

34. McLean was aware of some trading in which other Respondents were engaged which could be characterized as abusive trading practices during the period January 2001 to February, 2001. In particular, she was aware of some trading wherein:

a. Other Respondents engaged in trades in Hucamp shares with each other;

b. Other Respondents dominated trading in Hucamp shares;

c. Other Respondents engaged in trading of Hucamp shares by using nominee accounts to purchase Hucamp shares;

d. Other Respondents both bought and sold Hucamp shares through jitney trades; and,

e. Other Respondents engaged in up-ticking and high-closing.

35. McLean's failure to act in light of her knowledge of the facts set out in the previous paragraph constituted conduct contrary to the public interest.

36. McLean has provided an undertaking to Staff that she will not apply for registration with the Commission in any capacity for a period of 5 years.

F. Position of the Respondent McLean

a. Background

37. McLean was a member of the corporate finance department of Rampart from December, 1999 to February, 2001.

38. From December 1999 to December 2000, McLean's desk was located in Rampart's trading room.

39. In December 2000, McLean was moved to a private office outside the trading room at Rampart. From December 2000 to February 2001, McLean's private office was located outside the trading room at Rampart.

40. McLean resigned from Rampart on February 14, 2001 effective February 28, 2001 and, after March 26, 2001, ceased to have any contact, except on an adversarial basis, with any of the other Respondents or with anyone at Rampart, including Illidge and Cathcart.

41. After March 26, 2001, McLean's contact with Hucamp, including the other directors, Illidge, Anderson and Brereton, and Elizabeth Kirkwood (Hucamp's President effective May 9, 2001), and Sui & Company, Hucamp's legal counsel was strained and adversarial.

b. Hucamp Private Placements

(i) May 12, 2000

42. Hucamp announced the May 12, 2000 private placement by press release on July 7, 2000. The press release was drafted by Hucamp's legal counsel, Sui & Company.

43. The placees in the May 12, 2000 private placement were: Southampton – 600,000 units; MPH – 800,000 units; and a third company – 600,000 units – that had been arranged for by Sui & Company, Hucamp's legal counsel.

44. Sui & Company later advised Hucamp that the corporation which they had identified as the third subscriber was no longer available to complete its part of the May 12, 2000 private placement. Sui & Company undertook to find an alternative entity to be the third subscriber. Sui & Company had not finalized arrangements with a third subscriber of the May 12, 2000 private placement by July 7, 2000.

45. McLean was never told that Elkhorn was a subscriber of the May 12, 2000 private placement. Hucamp made arrangements with Elkhorn to be a subscriber of the May 12, 2000 private placement after McLean had resigned from Rampart, and after McLean had ceased all contact with any of the other Respondents and anyone at Rampart or Hucamp except on an adversarial basis.

(ii) June 26, 2000 and June 30, 2000 private placements

46. Hucamp announced the June 26, 2000 and June 30, 2000 private placements by press release on August 23, 2000 (the "June 2000 Private Placements"). The press release was drafted by William J. Anderson, MPH Consulting Limited and Hucamp's legal counsel, Sui & Company.

47. Atlas subscribed for 1.8 million units of the June 2000 Private Placements.

48. McLean believed at all times that Atlas was arm's length to Illidge and Hucamp.

49. Sui & Company was to arrange for a subscriber of 200,000 units of the June 2000 Private Placements.

50. McLean was never advised that Elkhorn was a subscriber of the June 2000 Private Placements. Hucamp made arrangements with Elkhorn to be a subscriber of the June 2000 Private Placements after McLean had resigned from Rampart, and after McLean had ceased all contact with any of the other Respondents or with anyone at Rampart or Hucamp except on an adversarial basis.

c. Trading in Hucamp Shares

51. Trading in the Southampton Account at Rampart was executed by its registered representative there, Cathcart.

52. Cathcart executed some trades in the Southampton Account at Rampart, including purchases of shares of Hucamp, without McLean's prior knowledge or authorization.

53. In October, 2000, the Southampton Accounts purchased 30,000 shares of Hucamp. They made no sales. They made 8 purchases. Three of those purchases involved upticks, one of which was completed using a jitney. None of the trades contributed to or effected a high-close.

54. In November, 2000, the Southampton Accounts purchased 67,800 shares of Hucamp. They sold 10,000 shares. The trades involved 7 upticks and 4 trades were made using jitneys.

55. On November 21, 2000, shares were sold, instead of delivered, from a Southampton Account at one investment dealer to a Southampton Account at another investment dealer. This was a trading error executed by the registered representatives for the Southampton Accounts. McLean had no role in or knowledge of the trading error.

56. In December, 2000, the Southampton Accounts did not buy any Hucamp shares. They made one trade, the sale of 10,000 shares through a jitney trade. The trade did not contribute to or effect a high-close.

57. In January, 2001, the Southampton Accounts purchased 28,200 shares of Hucamp and sold 14,000 shares of Hucamp. They bought shares 4 times, 3 of which were through jitney trades, and one of which was an uptick and contributed to one high-close (but did not effect that high-close). The accounts sold twice, both times through jitney trades.

58. In February, 2001, the Southampton Accounts purchased 3,200 shares of Hucamp and sold 1,000 shares of Hucamp. They bought shares twice and sold once. All of these trades involved jitneys. One of the purchases was an uptick. None of the trades contributed to or effected a high-close.

59. In March, 2001, the Southampton Accounts purchased 12,000 shares of Hucamp and sold 1,000 shares of Hucamp. They bought shares three times and sold once. All of these trades involved jitneys. One of the purchases was an uptick and contributed to one high-close (but did not effect that high-close).

60. Between October 2000 and March 2001, the Southampton Accounts never engaged in trades in Hucamp shares with other Respondents.

d. Co-operation with the Regulatory Authorities

61. In July 2001, McLean contacted the Commission delivering two lengthy letters to report her concerns regarding certain improper actions of Hucamp, Illidge and the other officers and directors of Hucamp and Hucamp's lawyers, including concerns regarding the annual 2000 and first quarter 2001 Hucamp financial statements.

62. In August 2001, McLean voluntarily met with Commission staff to discuss her concerns regarding certain improper actions of Hucamp, Illidge and the other officers and directors of Hucamp and Hucamp's lawyers.

63. In January 2005, McLean voluntarily provided Commission staff with a lengthy letter and large binder of exhibits addressing their concerns regarding certain possible improper actions at Hucamp.

V. TERMS OF SETTLEMENT

64. McLean agrees to the following terms of settlement:

(1) The Order attached to this Settlement Agreement is hereby approved;

(2) Pursuant to section 127 of the Act:

a. McLean shall cease trading in any securities for a period of five (5) years with the exception that McLean will be permitted to trade in securities in one RRSP account in her name and one non-RRSP account in her name (collectively, the "Personal Accounts"), and in one corporate account (the "Corporate Account"), each account to be held at a full service dealer registered with the Commission (which accounts have been identified by McLean in writing to Staff of the Commission), if:

(i) with respect to the Corporate Account, any trading is limited to trading only in Government of Canada Treasury Bills;

(ii) with respect to the Personal Accounts,

(a) the securities traded are listed on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, NASDAQ or the Chicago Board Options Exchange; or

(b) the securities traded are referred to in clauses 1 or 2 of subsection 35(2) of the Act; and

(c) neither McLean nor any member of her family is an insider, partner or promoter of the issuer of the securities; and

(d) McLean does not own directly or indirectly more than one percent of the outstanding securities of any class of the issuer.

b. Any exemptions contained in Ontario securities law shall not apply to McLean for a period of five (5) years from the date of this Order;

c. McLean shall be reprimanded;

d. McLean shall be banned for a period of ten (10) years from acting as an officer or director of any reporting issuer or registrant; and

(3) Pursuant to section 127.1 of the Act, McLean shall pay the costs of the investigation of this matter in the amount of $10,000.00 within 90 days of this Order.

VI. STAFF COMMITMENT

65. If this Settlement Agreement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in respect of any conduct or alleged conduct of McLean in relation to the facts set out in Part IV of this Settlement Agreement, subject to the provisions of paragraph 69, below.

VII. PROCEDURE FOR APPROVAL OF SETTLEMENT

66. Approval of this Settlement Agreement shall be sought at the public hearing of the Commission scheduled for September 8, 2008, or such other date as may be agreed to by Staff and McLean in accordance with the procedures described in this Settlement Agreement.

67. Staff and McLean agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting McLean's conduct in this matter, and McLean agrees to waive her right to a full hearing, judicial review, or appeal of the matter under the Act.

68. Staff and McLean agree that if this Settlement Agreement is approved by the Commission, Staff and McLean will not make any public statement inconsistent with this Settlement Agreement, with the exception of Part IV, Section F of this Settlement Agreement.

69. If McLean fails to honour the agreement contained in the preceding paragraph of this Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against McLean based on the facts set out in Part IV of this Settlement Agreement and based on the breach of this Settlement Agreement.

70. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or an order in the form attached as Schedule "A" is not made by the Commission, each of Staff and McLean will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations, unaffected by this Settlement Agreement or the settlement negotiations.

71. Whether or not this Settlement Agreement is approved by the Commission, McLean agrees that she will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

VIII. DISCLOSURE OF AGREEMENT

72. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission, and forever if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission, except with the written consent of both McLean and Staff or as may be required by law.

73. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission execution of the Settlement Agreement.

74. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

75. A facsimile copy of any signature shall be as effective as an original signature.

DATED this 8th day of September, 2008

Signed in the presence of:

"Seth Weinstein"
WITNESS

"Patricia McLean"
Patricia McLean
Respondent

DATED this 8th day of September, 2008

STAFF OF THE ONTARIO SECURITIES COMMISSION

Per:
"Michael Watson"
Michael Watson
Director, Enforcement Branch

SCHEDULE 'A'

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

AND

IN THE MATTER OF
PATRICIA McLEAN
("McLean")

ORDER
(Sections 127 and 127.1)

WHEREAS on July 11, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Act in respect of McLean and others;

AND WHEREAS McLean and Staff of the Commission entered into a settlement agreement dated September 8, 2008 (the "Settlement Agreement") in which they agreed to a settlement of the proceeding subject to the approval of the Commission;

AND WHEREAS the Commission has reviewed the Settlement Agreement and has heard the submissions from counsel for McLean and for Staff of the Commission;

AND WHEREAS McLean has undertaken to the Commission that she will not apply to the Commission for registration in any capacity contemplated by the Act for a period of five (5) years;

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

IT IS HEREBY ORDERED THAT:

1. The Settlement Agreement attached to this Order is hereby approved;

2. Pursuant to section 127 of the Act:

   a. McLean shall cease trading in any securities for a period of five (5) years with the exception that McLean will be permitted to trade in securities in one RRSP account in her name and one non-RRSP account in her name (collectively, the "Personal Accounts"), and in one corporate account (the "Corporate Account"), each account to be held at a full service dealer registered with the Commission (which accounts have been identified by McLean in writing to Staff of the Commission), if:

      (i) with respect to the Corporate Account, any trading is limited to trading only in Government of Canada Treasury Bills;

      (ii) with respect to the Personal Accounts,

         (a) the securities traded are listed on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, NASDAQ or the Chicago Board Options Exchange; or

         (b) the securities traded are referred to in clauses 1 or 2 of subsection 35(2) of the Act; and

         (c) neither McLean nor any member of her family is an insider, partner or promoter of the issuer of the securities; and

         (d) McLean does not own directly or indirectly more than one percent of the outstanding securities of any class of the issuer.

   b. Any exemptions contained in Ontario securities law shall not apply to McLean for a period of five (5) years from the date of this Order;

   c. McLean shall be reprimanded;

d. McLean shall be banned for a period of ten (10) years from acting as an officer or director of any reporting issuer or registrant; and

3. Pursuant to section 127.1 of the Act, McLean shall pay the costs of the investigation of this matter in the amount of $10,000.00 within 90 days of this Order.

September 8, 2008

_____ _____

_____

2.2.8 Henderson Global Investors Equity Planning, Inc. - s. 218 of the Regulation

Headnote

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

Regulation Cited

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

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

AND

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

AND

IN THE MATTER OF
HENDERSON GLOBAL INVESTORS
EQUITY PLANNING, INC.

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) of Henderson Global Investors Equity Planning, Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer;

A**ND UPON** considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a company formed under the laws of the State of Delaware, U.S.A. The head office of the Applicant is located in Chicago, Illinois, U.S.A.

2. The Applicant is not currently registered in any capacity with the Commission.

3. The Applicant is registered as a broker-dealer with the United States Securities and Exchange Commission and the Financial Industry Regulatory Authority.

4. The Applicant's primary business activities are trading in securities, acting as agent, for primarily institutional investors and high net-worth individuals.

5. In Ontario, the Applicant intends to, among other things, market and sell to accredited investors and other exempt purchasers units, shares, limited partnership interests and other securities or funds that are primarily offered outside of Canada. The clients would include large institutional investors. These limited market activities may be undertaken directly, or in conjunction with or through another registered dealer, including providing and receiving referrals to and from such dealer.

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

7. The Applicant is not resident in Canada and does not require a separate Canadian company in order to carry out its proposed limited market dealer activities in Ontario. It is more efficient and cost-effective to carry out those activities through the existing company.

8. Without the relief requested, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of limited market dealer as the Applicant is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

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

IT IS ORDERED, pursuant to section 218 of the Regulation, and in connection with the registration of the Applicant as a dealer under the Act in the category of limited market dealer, section 213 of the Regulation shall not apply to the Applicant, provided that:

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

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

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

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

5. The Applicant will not have custody of, or maintain customer accounts in relation to, securities, funds, and other assets of clients resident in Ontario.

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

   (a) that it has ceased to be registered as a broker-dealer in the United States;

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

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

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

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

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

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

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

   (a) so advise the Commission; and

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

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

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

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

   (a) so advise the Commission; and

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

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

September 8, 2008.

"Wendell S. Wigle"
Commissioner

"Paulette Kennedy"
Commissioner

2.2.9 Rodney International et al. - s. 127(7)

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

AND

IN THE MATTER OF
RODNEY INTERNATIONAL,
CHOEUN CHHEAN
(ALSO KNOWN AS PAULETTE C. CHHEAN)
AND
MICHAEL A. GITTENS
(ALSO KNOWN AS ALEXANDER M. GITTENS)

ORDER
(Subsection 127(7) of the Securities Act)

WHEREAS on June 4, 2008, the Ontario Securities Commission (the "Commission") made an order pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, in respect of Rodney International ("Rodney"), Choeun Chhean (also known as Paulette C. Chhean) ("Chhean") and Michael A. Gittens (also known as Alexander M. Gittens) ("Gittens") (collectively, the "Respondents") that all trading by the Respondents shall cease and that the exemptions contained in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS on June 5, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order to be held on June 17, 2008 at 2:00 p.m.;

AND WHEREAS on June 5, 2008, the Commission issued a Statement of Allegations with respect to the Respondents in this matter;

AND WHEREAS Staff of the Commission ("Staff") attended before the Commission on June 17, 2008 and made submissions, no one appearing for the Respondents;

AND WHEREAS Staff made reasonable effort to serve Gittens with a certified copy of the Temporary Order and the Notice of Hearing at his last known address;

AND WHEREAS Staff delivered a certified copy of the Temporary Order and the Notice of Hearing to the mailing address of Rodney, thereby effecting service on Rodney and Chhean;

AND WHEREAS on June 17, 2008 the Commission ordered that the Temporary Order be continued until August 6, 2008 and the hearing of this matter be adjourned to August 5, 2008 at 2:30 p.m.;

AND WHEREAS Staff attended before the Commission on August 5, 2008 and made submissions, no one appearing for the Respondents;

AND WHEREAS on August 5, 2008 the Commission ordered that the Temporary Order be continued until September 5, 2008 and the hearing of this matter be adjourned to September 4, 2008 at 1:00 p.m.;

AND WHEREAS Staff served Gittens with a certified copy of the Notice of Hearing, the Statement of Allegations, and the Order dated August 5, 2008;

AND WHEREAS Staff attended before the Commission on September 4, 2008 and made submissions, no one appearing for the Respondents;

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

IT IS ORDERED that:

1. the Temporary Order is continued until September 19, 2008; and

2. the hearing of this matter is adjourned to September 18, 2008 at 2:00 p.m. for a hearing on the merits.

DATED at Toronto this 5th day of September, 2008

"Wendell S. Wigle"

"Suresh Thakrar"

2.2.10 Irwin Boock et al. - ss. 127(1), 127(5)

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

AND

**IN THE MATTER OF
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**

**TEMPORARY ORDER
(Sections 127(1) and (5))**

WHEREAS on May 5, 2008, the Ontario Securities Commission (the "Commission") made an order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the "Act"), that all trading in any securities by Irwin Boock ("Boock"), Victoria Gerber ("Gerber") and Svetlana Kouznetsova ("Kouznetsova") shall cease and further, that trading in the securities WGI Holdings, Inc. ("WGI Holdings"), Federated Purchaser, Inc. ("Federated Purchaser"), First National Entertainment Corporation ("First National"), TCC Industries, Inc. ("TCC Industries") and Enerbrite Technologies Group ("Enerbrite Technologies") shall cease (the "Temporary Cease Trade Order");

AND WHEREAS on May 14, 2008, the Commission amended the Temporary Cease Trade Order to order that all trading in any securities by Compushare shall cease;

AND WHEREAS on May 15, 2008, the Commission ordered pursuant to subsection 127(8) of the Act, that the Temporary Cease Trade Order, as amended, was extended until June 11, 2008 or until further order of the Commission;

AND WHEREAS on June 11, 2008, the Commission extended the hearing and extended the Temporary Cease Trade Order, as amended, to September 9, 2008;

AND UPON HEARING submissions from counsel for Staff of the Commission, with no one appearing for Gerber, WGI Holdings, Federated Purchaser, First National, TCC Industries and Compushare;

AND UPON BEING ADVISED by counsel for Staff of the Commission that Boock, Kouznetsova and Enerbrite consent to an extension of the Temporary Cease Trade Order, as amended, to October 17, 2008;

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

IT IS ORDERED THAT:

1. the hearing to extend the Temporary Cease Trade Order, as amended, is adjourned until October 17, 2008 at 9:00 a.m.;

2. pursuant to subsection 127(8) of the Act, the Temporary Cease Trade Order, as amended, is extended until October 17, 2008 or until further order of the Commission; and

3. Staff will deliver to Gerber a copy of this order by first class mail to her last known address, and by first class mail care of Natalya Lazareva.

DATED at Toronto this 9th day of September, 2008.

"James E. A. Turner"

"Suresh Thakrar"

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

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

AND

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

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

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

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

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

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

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

AND WHEREAS the hearing to extend the Temporary Orders, as modified and extended by the Commission, was scheduled to be heard by the Commission on June 24, 2008 and on that date, the Commission adjourned the hearing and ordered that the Temporary Orders, as modified, were extended until September 9, 2008;

AND UPON HEARING submissions from counsel for Staff of the Commission and upon being advised of the consent of NutriOne and the consent of Pharm Control, with no one appearing for the remainder of the Respondents;

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

IT IS ORDERED THAT:

1. the hearing to extend the Temporary Orders, as modified, is adjourned until October 17, 2008 at 9:00 a.m.; and

2. pursuant to subsection 127(8) of the Act, the Temporary Orders, as modified, are extended until October 17, 2008 or until further order of the Commission.

3. Staff shall deliver to Nathan Rogers a copy of this Order by first class mail to his last known address.

4. Staff shall deliver to Select American Transfer Co. a copy of this Order by first class mail c/o Jacqueline Rossel at her last known address.

DATED at Toronto this 9th day of September, 2008.

"James E. A. Turner"

"Suresh Thakrar"

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

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

AND

IN THE MATTER OF
STANTON DE FREITAS

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

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

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

AND WHEREAS the hearing to extend the Temporary Order, as modified and extended by the Commission was last heard by the Commission on June 24, 2008 when it was ordered that the hearing to extend the Temporary Order was adjourned to September 9, 2008 and the Temporary Order, as varied, be extended to September 10, 2008;

AND UPON HEARING submissions from counsel for Staff and counsel for De Freitas, and upon being advised that De Freitas does not object to the making of this Order;

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

IT IS ORDERED THAT:

1. the hearing to extend the Temporary Orders, as modified, is adjourned until October 17, 2008 at 9:00 a.m.; and

2. pursuant to subsection 127(8) of the Act, the Temporary Order, as modified, is extended until October 17, 2008 or until further order of the Commission.

DATED at Toronto this 9th day of September, 2008.

"James E. A. Turner"

"Suresh Thakrar"

2.2.13 Canyon Capital Advisors LLC - ss. 3.1(1), 80 of the CFA

Non-resident advisers exempted from adviser registration requirement in subsection 22(1)(b) of the Commodity Futures Act where the non-resident acts as an adviser to mutual funds or non-redeemable investment funds in respect of trading in certain commodity futures contracts and commodity futures options – Contracts and options are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada – Funds are established outside of Canada, but may distribute their securities to certain Ontario residents.

Exemption subject to conditions corresponding to the requirements for the exemption from the adviser registration requirement in the Securities Act contained in section 7.10 of OSC Rule 35-502 Non-Resident Advisers – Exemption also subject to requirements relating to the registration or licensing status of the non-resident adviser in its principal jurisdiction and disclosure to Ontario resident securityholders of the corresponding fund – Exemption order has a five-year "sunset date".

Assignment by Commission to the Director of the powers and duties vested in the Commission under subsection 78(1) of the CFA to vary the exemption order by specifically naming affiliates of the initial applicants as named applicants for the purposes of the exemption, following an affiliate notice and Director consent procedure specified in the decision.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 3.1(1), 22, 22(1)(b), 78(1), 80.
Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., s. 25.

National Instruments Cited

National Instrument 45-106 Prospectus and Registration Exemptions.

OSC Rules Cited

OSC Rule 35-502 Non Resident Advisers, s. 7.10.

OSC Notices Cited

Notice of Proposed Rule 35-502 International Advisers, (1998) 21 OSCB 6258.

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

AND

IN THE MATTER OF
CANYON CAPITAL ADVISORS LLC

AND

IN THE MATTER OF THE ASSIGNMENT OF
CERTAIN POWERS AND DUTIES OF THE
ONTARIO SECURITIES COMMISSION

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

UPON the application (the **Application**) to the Ontario Securities Commission (the **Commission**) by Canyon Capital Advisors LLC (**Canyon**), on its own behalf, and on behalf of Canyon Affiliates (as defined below) that file an Identifying Notice (as defined below) to become a Named Applicant (as defined below), for:

(a) a renewal of an order of the Commission, pursuant to section 80 of the CFA, that Canyon, and each of the Canyon Affiliates that file an Identifying Notice to become a Named Applicant for the purposes of this Order (including their respective directors, partners, officers, employees or other individual representatives, acting on their behalf), is exempt from the adviser registration requirement in the CFA (as defined below) in connection with the Named Applicant acting as an adviser to one or more Funds (as defined below), in respect of Contracts (as defined below); and

(b) an assignment by the Commission, pursuant to subsection 3.1(1) of the CFA, to each Director (acting individually) of the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary the above order, from time to time, by specifically naming one or more of the Canyon Affiliates, that file an Identifying Notice, as a Named Applicant for the purposes of this Order;

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

AND WHEREAS for the purposes of this Order and Assignment (collectively, this **Decision**);

(i) the following terms shall have the following meanings:

"adviser registration requirement in the CFA" means the provisions of section 22 of the CFA that prohibit a person or company from acting as an adviser unless the person or company satisfies the applicable provisions of section 22 of the CFA;

"adviser registration requirement in the OSA" means the provisions of section 25 of the OSA that prohibit a person or company from acting as an adviser, as defined in the OSA, unless the person or company satisfies the applicable provisions of section 25 of the OSA;

"Canyon Affiliate" means an entity, other than Canyon, that is an affiliate of Canyon;

"Contract" means a commodity futures contract or a commodity futures option that is, in each case, primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

"Director's Consent" means, for a Canyon Affiliate, the Director's Consent referred to in paragraph 4, below;

"Fund" means an investment fund;

"Identifying Notice" means, for a Canyon Affiliate, the Identifying Notice referred to in paragraph 3, below;

"Named Applicants" means:

(a) Canyon; and

(b) Canyon Affiliates that have filed an Identifying Notice, to become a Named Applicant for the purposes of this Order, and for which the Director has issued a Director's Consent;

"Objection Notice" means, for a Canyon Affiliate, an objection notice, as described in paragraph 5, below, that is issued by the Director, following the filing by the Canyon Affiliate of an Identifying Notice, as described in paragraph 3, below;

"OSA" means the *Securities Act* (Ontario);

"OSC Rule 35-502" means Ontario Securities Commission Rule 35-502 *Non Resident Advisers*, made under the OSA;

"prospectus requirement in the OSA" means the requirement in the OSA that prohibits a person or company from distributing a security unless a preliminary prospectus and prospectus for the security have been filed and receipts obtained for them; and

(ii) terms used in this Decision that are defined in the OSA, and not otherwise defined in the Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires; and

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

AND UPON Canyon having represented to the Commission that:

1. Canyon is a limited liability company established under the laws of the State of Delaware in the United States of America. Any Canyon Affiliate that files an Identifying Notice for the purpose of becoming a Named Applicant in accordance with this Decision will, at the relevant time, be an entity organized under the laws of a jurisdiction outside of Canada.

2. Named Applicants act, or may act, as an adviser to the following Funds:

   (i) The Canyon Value Realization Fund (Cayman) Ltd., Canyon Capital Arbitrage Fund (Cayman), Ltd. and Canyon Balanced Equity Fund (Cayman) Ltd.; and

   (ii) other investment funds.

3. A Canyon Affiliate, that is not a Named Applicant, that proposes to rely on the exemption from the adviser registration requirement in the CFA provided in this Order will complete and file with the Commission (Attention: Manager, Registrant Regulation) two copies of a notice (the **Identifying Notice**, in the form of Part A of the Schedule to this Decision), applying to the Director, acting on behalf of the Commission under the below Assignment, to vary this Order to specifically name the Canyon Affiliate as a Named Applicant for the purposes of the Order. The Identifying Notice will be filed not less than ten (10) days before the date the Canyon Affiliate proposes to rely on the exemption set out in the Order.

4. If, in the Director's opinion, it would not be prejudicial to the public interest to specifically name a Canyon Affiliate as a Named Applicant for the purposes of this Order, the Director will, within ten (10) days after receiving an Identifying Notice from the Canyon Affiliate, issue to the Canyon Affiliate a written consent (the **Director's Consent**, in the form of Part B of the attached Schedule). However, a Canyon Affiliate will not be a Named Applicant for the purposes of this Order unless and until the corresponding Director's Consent is issued by the Director.

5. If, after reviewing an Identifying Notice for a Canyon Affiliate, the Director is *not* of the opinion that it would not be prejudicial to the public interest to specifically name such Canyon Affiliate as a Named Applicant for the purposes of this Order, the Director will issue to the Canyon Affiliate a written notice of objection (the **Objection Notice**), in which case the Canyon Affiliate will not be permitted to rely on the exemption from the adviser registration requirement in the CFA provided to Named Applicants in this Order, but may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review by the Commission of the Director's objection.

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

7. Any Funds in respect of which a Named Applicant may act as adviser (under the CFA) pursuant to this Order will be established outside of Canada. Securities of the Funds are and will be primarily offered outside of Canada to institutional investors and high net worth individuals. To the extent the securities of the Funds will be offered to Ontario residents, such investors will qualify as "accredited investors" for the purposes of National Instrument 45-106 *Prospectus and Registration Exemptions*.

8. None of the Funds in respect of which a Named Applicant may act as an adviser (under the CFA) pursuant to this Order has any intention of becoming a reporting issuer under the OSA or under the securities legislation of any other jurisdiction in Canada.

9. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as a partner or an officer of a registered adviser and is acting on behalf of such registered adviser, and otherwise satisfies the applicable requirements specified in section 22 of the CFA. Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in "contracts", and "contracts" is defined in subsection 1(1) of the CFA to mean "commodity futures contracts" and "commodity futures options" (with these latter terms also defined in subsection 1(1) of the CFA).

10. Where securities of a Fund are offered by the Fund to an Ontario resident, a Named Applicant that engages in the business of advising the Fund as to the investing in or the buying or selling of securities may, by so acting, be interpreted as acting as an adviser, as defined in the OSA, to the Ontario residents who acquire the securities offered by the Fund, as suggested in the Notice of the Commission dated October 2, 1998, requesting comments on the then proposed OSA Rule 35-502. Similarly, where securities of a Fund are offered to Ontario residents, a Named Applicant that engages in the business of advising the Fund as to trading in commodity futures contracts or commodity futures options, may, by so acting, also be interpreted as acting as an adviser (as defined in the CFA) to the Ontario residents who acquire the securities offered by the Fund.

11. Canyon is not registered in any capacity under the CFA, and none of the Named Applicants will be registered under the CFA so long as the particular Named Applicant remains a Named Applicant for the purposes of this Order. If a Named Applicant advises any Funds (that has distributed its securities to any Ontario residents) as to investing in or the buying or selling securities, it will comply with the adviser registration requirement in the OSA. Currently, Canyon is not registered in any capacity under the OSA.

12. There is currently no rule or other regulation under the CFA that provides an exemption from the adviser registration requirement in the CFA for a person or company acting as an adviser, in respect of commodity futures options or commodity futures contracts, that corresponds to the exemption from the adviser registration requirement in the OSA for acting as an adviser, as defined in the OSA, in respect of securities, that is contained in section 7.10 of OSC Rule 35-502.

13. Section 7.10 of OSC Rule 35-502 provides that the adviser registration requirement in the OSA does not apply to a person or company acting as a portfolio adviser (as defined in the Rule) to a Fund (as defined in the Rule), if the securities of the Fund are:

    (a) primarily offered outside of Canada;

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

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

14. Each of the Named Applicants, where required, is or will be appropriately registered or licensed or is, or will be, entitled to rely on appropriate exemptions from such registration or licensing requirements to provide advice to the Funds pursuant to the applicable legislation of its principal jurisdiction. In particular, Canyon filed a claim of exemption from registration as a commodity pool operator with the United States Commodity Futures Trading Commission on September 17, 2003, which became effective upon the filing of the claim of exemption.

15. Canyon is registered as an adviser with the United States Securities and Exchange Commission.

AND UPON the Commission being of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 80 of the CFA, that each of the Named Applicants (including the respective directors, partners, officers, employees or other individual representatives of each of the Named Applicants, acting on behalf of the Named Applicant) is exempted from the adviser registration requirement in the CFA in connection with the Named Applicant acting as an adviser to one or more Funds, in respect of Contracts, provided that, at the time the Named Applicant so acts as an adviser to any such Fund:

A. the Named Applicant is not ordinarily resident of Ontario;

B. the Named Applicant is appropriately registered or licensed, or entitled to rely upon appropriate exemptions from registration or licensing requirements, in order to provide to the Fund advice as to trading in the corresponding Contracts, pursuant to the applicable legislation of the Named Applicant's principal jurisdiction;

C. securities of the Funds are:

    (i) primarily offered outside of Canada,

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

    (iii) distributed in Ontario in reliance on an exemption from the prospectus requirement in the OSA;

D. prior to their purchasing any securities of the Funds, all investors in the Funds who are resident in Ontario shall have received disclosure that includes:

    (i) a statement to the effect that there may be difficulty in enforcing any legal rights against the Fund or the Named Applicant (including the individual representatives of the Named Applicant acting on behalf of the Named Applicant), because the Named Applicant is a resident outside of Canada and, to the extent applicable, all or substantially all of its assets are situated outside of Canada; and

    (ii) a statement to the effect that the Named Applicant is not, or will not be, registered (or licensed) under the CFA and, as a result, investor protections that might otherwise be available to clients of a registered adviser under that CFA will not be available to purchasers of securities of the Fund; and

E. this Order shall expire five years after the date hereof;

AND UPON the Commission also being of the opinion that to do so would not be prejudicial to the public interest;

PURSUANT to subsection 3.1(1) of the CFA, the Commission hereby assigns to each Director, acting individually, the powers and duties vested in the Commission under subsection 78(1) of the CFA to:

(i) vary the above Order, from time to time, by specifically naming any one or more Canyon Affiliates that has filed an Identifying Notice, as described in paragraph 3, above, as a Named Applicant for the purposes of the Order, by issuing a Director's Consent, as described in paragraph 4, to the Canyon Affiliate; and

(ii) object, from time to time, to varying the above Order to specifically name any one or more Canyon Affiliates that has filed an Identifying Notice, as described in paragraph 3, above, as a Named Applicant, by issuing to the Canyon Affiliate an Objection Notice, as described in paragraph 5, above, provided, however, that, in the event of any such objection, the corresponding Canyon Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission, within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of the objection by the Commission.

August 29, 2008

"Paulette L. Kennedy"
Commissioner
Ontario Securities Commission

"Mary G. Condon"
Commissioner
Ontario Securities Commission

SCHEDULE

FORM OF IDENTIFYING NOTICE

AND

DIRECTOR'S CONSENT

Part A: Identifying Notice to the Commission

To: Ontario Securities Commission (the **Commission**)
Attention: Manager, Registrant Regulation

From: [Insert name and address] (the **Canyon Affiliate**)

Re: ***In the Matter of Canyon Capital Advisors LLC* (Canyon)**
OSC File No.: 2008/0316

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

1. On _____ ___, 2008, the Commission issued an order (the **Order**), pursuant to section 80 of the *Commodity Futures Act* (Ontario) (the **CFA**), that each of the Named Applicants (as defined in the Decision containing the Order) is exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of the Named Applicant acting as an adviser to one or more of the Funds (as defined in the Decision), in respect of Contracts (as defined in the Decision), subject to certain terms and conditions specified in the Order.

2. The Canyon Affiliate has attached a copy of the Decision to this Identifying Notice.

3. The Canyon Affiliate is an affiliate of Canyon Capital Advisors LLC.

4. The Canyon Affiliate (whose name does not specifically appear in the Order) hereby applies to the Director, acting on behalf of the Commission under the Assignment in the Decision, to vary the Order to specifically name the Canyon Affiliate as a Named Applicant for the purposes of the Order, pursuant to section 78 of the CFA.

5. The Canyon Affiliate confirms the truth and accuracy of all the information set out in the Decision.

6. This Identifying Notice has been filed with the Commission not less than ten (10) days prior to the date on which the Canyon Affiliate proposes to rely on the exemption from the adviser registration requirement in the CFA provided to Named Applicants in the Order, subject to the terms and conditions specified in the Order.

7. The Canyon Affiliate has not, and will not, rely on such exemption unless and until it has received from the Director, a written Director's Consent, as provided in the form of Part B of the Schedule attached to the Decision.

Dated at _____ this ____ day of _____, 20___.

_____
Name:

_____
Title:

Part B: Director's Consent

To: _____ (the **Canyon Affiliate**)

From: Director
Ontario Securities Commission

Re: ***In the Matter of Canyon Capital Advisors LLC*** **(Canyon)**
OSC File No.: 2008/0316

I acknowledge receipt from the Canyon Affiliate of its Identifying Notice, dated _____, 20___, by which the Canyon Affiliate has applied to the Director, acting on behalf of the Commission under the Assignment in the Decision attached to Identifying Notice, to specifically name the Canyon Affiliate as a Named Applicant for the purposes of the Order contained in the Decision.

Based on the representations contained in the Decision and in the Identifying Notice, and my being of the opinion that to do so would not be prejudicial to the public interest, on behalf of the Commission, as a Director for the purposes of the *Commodity Futures Act* (Ontario), I hereby vary the Order to specifically name the Canyon Affiliate as a Named Applicant for the purposes of the Order.

Dated at _____ this ____ day of _____, 20___.

ONTARIO SECURITIES COMMISSION

By:

_____
Name of Signatory:

_____
Position of Signatory:

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Yegor Solovyev - s. 26(3)

IN THE MATTER OF
AN APPLICATION FOR REGISTRATION OF
YEGOR SOLOVYEV

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
UNDER SUBSECTION 26(3) OF THE SECURITIES ACT

Date: September 3, 2008

Director: David M. Gilkes
Manager, Registrant Regulation

Submissions: Nancy Silliphant
For staff of the Ontario Securities Commission

Yegor Solovyev
For the Applicant

Overview

1. This decision relates to the recommendation of Ontario Securities Commission (**OSC**) staff to impose terms and conditions on the registration of Mr. Solovyev (also referred to as the **Applicant**). OSC staff made the recommendation based on the circumstances leading to his termination from TD Investment Services Inc. that called into question the Applicant's suitability for registration in the securities industry.

Background

2. Mr. Solovyev was registered as salesperson in the category of mutual fund dealer sponsored by TD Investment Services Inc. (**TDIS**) under the *Securities Act* (the **Act**) on October 18, 2002. On February 20, 2006 he was terminated for cause by TDIS.

3. On January 7, 2008 BMO Investments Inc. submitted an application for registration of Mr. Solovyev as salesperson in the category of mutual fund dealer. On June 18, 2008, OSC staff advised Mr. Solovyev that it had recommended the Director impose terms and conditions on his registration. Mr. Solovyev exercised his right for an Opportunity to be Heard (**OTBH**) by the Director.

4. The OTBH was conducted through written submissions.

Staff Submissions

5. OSC staff recommended that the Director impose terms and conditions on the registration of Mr. Solovyev based on the information from TDIS related to his termination.

6. Mr. Solovyev worked for both TD Canada Trust bank (**TD** or **the bank**) and TDIS. His employment with both organizations was terminated on February 20, 2006. The Notice of Termination identified a combination of events that led to his dismissal. Mr. Solovyev had prepared a credit application for a client of the bank that had a number of factual errors which resulted in a higher level of financing than the individual should have qualified. Mr. Solovyev had been previously reprimanded and suspended in relation to forging client initials on two mutual fund account applications. He had also been reprimanded for using another employee's bank system access to post his own financial transactions.

7. In relation to the credit application, TD found that Mr. Solovyev could not provide a reasonable explanation for the errors in the credit application. However, he admitted knowing the client prior to becoming an employee of TD. There was no monetary loss to TD as a result of this application.

8. Mr. Solovyev admitted to having forged client initials on two mutual fund account applications. These events were investigated by TDIS and led to a reprimand and a three-day suspension without pay in January 2006. The Applicant was advised that another reprimand could lead to the termination of his employment. The branch manager maintained close supervision of Mr. Solovyev's mutual fund activities following these events.

9. Mr. Solovyev was reprimanded and suspended for using another employee's bank system access to post his own financial transactions. The transactions were not related to mutual fund activities.

10. The Mutual Fund Dealers Association (**MFDA**) conducted an investigation into the allegations of forged client initials on two mutual fund account applications. The MFDA concluded that Mr. Solovyev may have been in breach of the TDIS internal policy relating to personal integrity as well as the MFDA Standard of Conduct. The MFDA issued a warning letter and did not initiate proceedings against the Applicant.

Applicant Submissions

11. The Applicant provided context to the three events in the Notice of Termination. He said that none of the actions were done with malice but were undertaken in good faith.

12. The credit application was made by an existing client of the bank. The client wished to have a line of credit secured against his principal residence to finance a down payment on a second residence. The balance of the house payment would be a mortgage held by the same bank. According to Mr. Solovyev, he had arranged the credit facility with a down payment of 25% and a mortgage of 75%. The manager of the bank wanted a 35/65 split. Mr. Solovyev did not follow the instructions of the manager as he believed the income and the collateral of the client were sufficient for the deal as arranged.

13. In relation to the forged client initials on mutual fund accounts Mr. Solovyev noted he covered up an oversight where a document had not been initialed by the clients. He did not feel it was appropriate or necessary for them to come in just to initial documents.

14. In the first case, the clients were borrowing money to invest. In addition, it appeared to the Applicant and his manager that the funds that the clients wanted were not exactly suitable for them given their risk profile. The clients filled out and signed all the required documentation. However, after the clients left, Mr. Solovyev discovered a document that had not been initialed by the clients. After unsuccessful attempts to contact the clients, the Applicant initialed the documents rather than cancelling the account and having the clients return to the office to reopen the account.

15. The second case did not involve borrowed money and the manager was not present. The client filled out and signed the required documentation. After the client left, Mr. Solovyev found a document that had not been initialed by the client. Once again the Applicant initialed the document.

16. In relation to using another employee's bank system access to post his own financial transactions, the Applicant explained he could not deposit coin into his account using the ATM at his office. He asked a colleague to deposit some loose coin into his account. The bank considered this activity as posting his own transactions under a different access number.

Suitability for Registration

17. A registrant is in a position to perform valuable services to the public, both in the form of direct services to individual investors and as part of the larger system that provides the public benefits of fair and efficient capital markets. A registrant also has a corresponding capacity to do material harm to individual investors and the public at large.

18. Determining whether an Applicant should be registered is an important component of the work undertaken by OSC staff to protect investors and foster confidence in the capital markets. The standard for suitability is based on three well established criteria that have been identified by the OSC:

- Integrity, including honesty and good faith, particularly in dealings with clients, and compliance with Ontario securities law,

- Competency, including prescribed proficiency and knowledge of the requirements of Ontario securities law, and

- financial soundness, an indicator of a firm's capacity to fulfill its obligations and of the risk that an individual will engage in self-interested activities at the expense of clients.

19. In this matter the question of the Applicant's suitability for registration surrounds the criteria of integrity and to a lesser extent competency. There is no issue relating to the Applicant's financial solvency.

20. The Applicant admits that he falsified client initials on two accounts. In these two cases, the clients had received all the information about the investments they were making including the risks. The clients signed all the documentation, however, with each application, the clients missed a spot where client initials were required. The Applicant tried unsuccessfully to contact the clients and rather than inconvenience the clients, he inserted the client initials.

21. The other events leading to the Applicant's termination involve activities outside of the securities business. However, it is clear that the Applicant did not follow the internal policies of the bank or the instructions of his manager.

Decision and Reasons

22. The Director has the discretion to grant registration, refuse registration or impose terms and conditions on the registration. Terms and conditions are most useful in cases where remediation is possible. This point was discussed in the Jaynes decision that reads in part:

> While terms and conditions restricting registration may be appropriate in a wide variety of circumstances, they should not be used to "shore up" a fundamentally objectionable registration. To do so would be to create the very real risk that a client's interests cannot be effectively served due to the severity and extent of the restrictions imposed.
>
> *Re Jaynes* (2000), 23 O.S.C.B. 1543

23. The submissions made by OSC staff and by the Applicant demonstrated a shortcoming in relation to the integrity required of a mutual fund salesperson. The Applicant, however, believed he was acting in the best interests of his client.

24. In the situation presented, the Applicant has shown remorse. He understands his past mistakes and has had over two years to reflect on them.

25. However, to ensure that there is no recurrence of past practices, close supervision will be required for a period of two years. Therefore, I impose the terms and conditions as set out in Exhibit A on the registration of Yegor Solovyev.

September 3, 2008

"David M. Gilkes"

Exhibit A

Terms and Conditions of Registration
for
Yegor Solovyev

Monthly Close Supervision Reports are to be completed on the Applicant's sales activities and dealings with clients. The supervision reports are to be retained with the sponsoring firm and must be made available for review upon request. These terms and conditions are to continue for a period of two years commencing September 30, 2008.

_____	_____
Approved Officer for BMO Investments Inc.	Yegor Solovyev
_____	_____
Print Name of Approved Officer	Date

Monthly Close Supervision Report*

I hereby certify that supervision has been conducted for the month ending _____ of the trading activities of Yegor Solovyev, by the undersigned. I further certify the following:

1. All orders from the salesperson were reviewed and approved by a compliance officer or branch manager of BMO Investments Inc.

2. There were no client complaints received during the preceding month. If there were complaints, a description of the complaint and follow-up action initiated by the company is attached.

3. All payments for the purchase of the investments were made payable to the dealer. There were no cash payments accepted.

4. The transactions of the salesperson were reviewed during the preceding month to ensure compliance with the policies and procedures of the dealer, including the suitability of investments for clients. If there were any violations, a description of the violation and follow-up action is attached.

_____
Compliance Officer/Branch Manager
BMO Investments Inc.

_____ _____
Print Name Date

* In the case of violations or client complaints, the regulator must be notified within five business days.

3.1.2 Betty Leung

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

AND

IN THE MATTER OF
BETTY LEUNG

REASONS FOR DECISION ON SETTLEMENT

Hearing:	June 25, 2008		
Reasons:	September 4, 2008		
Panel:	James E. A. Turner	-	Vice-Chair and Chair of the Panel
	Suresh Thakrar	-	Commissioner
Counsel:	Kelley McKinnon John Humphreys Michael Bordynuik	-	For Staff of the Ontario Securities Commission
	David Hausman	-	For Betty Leung

REASONS FOR DECISION ON SETTLEMENT

I. BACKGROUND

[1] On June 25, 2008, a hearing was convened before the Ontario Securities Commission (the "Commission") to consider the terms of a settlement agreement (the "Settlement Agreement"), dated June 23, 2008, entered into between Staff of the Commission ("Staff") and Betty Leung ("Leung") relating to matters arising from a Notice of Hearing and Statement of Allegations dated June 23, 2008. 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"), to consider whether it is in the public interest to approve the Settlement Agreement and the sanctions contained therein.

[2] Pursuant to paragraph 9(1)(b) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 and the Commission's *Practice Guidelines – Settlement Procedures*, contained in the Commission's *Rules of Practice* (1997), 20 O.S.C.B. 1947, the hearing was held *in camera*.

[3] Upon considering the materials filed, the submissions made, and the amendment to the draft order submitted to us, we concluded that it was in the public interest to approve the Settlement Agreement. At that time, the hearing became public and the Chair of the Panel gave an oral summary of our reasons and indicated that written reasons would be provided in due course. These are the written reasons for our decision.

II. RELEVANT FACTS SET OUT IN THE SETTLEMENT AGREEMENT

[4] In approving the Settlement Agreement, we considered all of the facts and circumstances set forth in that agreement. As noted in *Re Rankin* (2008), 31 O.S.C.B. 3303, the facts set out in a settlement agreement are not findings of fact by the relevant panel. Rather, they are facts agreed to by Staff and the relevant respondent(s) for purposes of the settlement. In approving the Settlement Agreement, we relied solely on the facts set out in that agreement and those facts represented to us at the hearing.

[5] The relevant facts set out in the Settlement Agreement are summarized below.

[6] Leung is a resident of Toronto. She is 53 years old. She has been a legal secretary in Canada since 1989. At the material time, Leung was employed as a legal secretary at the law firm Bennett Jones LLP in Toronto. She worked for a partner whose practice is primarily advising in connection with merger and acquisition transactions.

[7] Leung acquired confidential, material information (consisting of material facts or material changes within the meaning of the Act) about various potential transactions in her role as a legal secretary through communications with other employees of Bennett Jones LLP working on the relevant transactions or from review of file materials including e-mail.

[8] Leung was aware that she could not lawfully trade securities of reporting issuers while she possessed confidential, material information about potential transactions involving those issuers. She acknowledges that she owed a duty of confidentiality to her employer and to the clients of her employer.

[9] Leung also acknowledges that she was a person in a special relationship (within the meaning of paragraph 76(5)© of the Act) with the reporting issuers involved in the merger and acquisition transactions on which Bennett Jones LLP advised.

[10] Over the period from April 2005 to March 2008, with knowledge of confidential, material information that Leung became aware of during her employment, she bought and sold securities in eight reporting issuers which are listed on the TSX. She purchased the securities using two accounts in her own name, one in the name of her husband and one account in the name of her parents. While she traded frequently, she usually purchased or sold approximately 200 to 800 shares at a time.

[11] The total profit she made from the trades of the securities over the relevant period was $51,568.61. It was represented to us that this amount includes all of the profits from the four accounts.

[12] The trading in these circumstances was not material to the reporting issuers whose securities she traded.

[13] At the time Leung purchased and sold the relevant securities, the confidential, material information she knew in respect of the reporting issuers related to possible merger and acquisition transactions or other corporate transactions. This material information had not been generally disclosed to the public. Accordingly, Leung has acknowledged in the Settlement Agreement that she was in breach of the insider trading provisions of the Act and has acted contrary to the public interest.

III. THE LAW

A. The Role of the Commission in Reviewing Settlement Agreements

[14] When considering the approval of a settlement agreement, the Commission must ensure that the settlement agreement is in the public interest and that it achieves the purposes of the Act which are to (a) provide protection to investors from unfair, improper or fraudulent practices; and (b) foster fair and efficient capital markets and confidence in capital markets (section 1.1 of the Act).

[15] The Commission's public interest role was explained in *Re Mithras Management Ltd.* (1990). 13 O.S.C.B. 1600 as follows:

> …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 concluded 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. … (at 1610 and 1611)

[16] In order to approve a settlement agreement, the Commission must conclude that doing so is in the public interest. The role of the Commission in considering a proposed settlement agreement has been articulated in several cases. For instance, in *Re Koonar et al.* (2002), 25 O.S.C.B. 2691, the Commission stated:

> The role of the panel in reviewing a settlement agreement is not to substitute the sanctions it would impose in a contested hearing for what is proposed in the settlement agreement, but rather to make sure the agreed sanctions are within acceptable parameters. (*Re Koonar et al.*, *supra* at 2692. See also *Re Melnyk* (2007), 30 O.S.C.B. 5253; *Re Pollitt* (2004), 27 O.S.C.B. 9643 at para. 33; and *Nortel Networks Corp.*, transcript of oral reasons of the Commission, May 22, 2007, p. 52.)

[17] Accordingly, the Commission must consider all of the circumstances of the particular case to determine whether the sanctions are in the "appropriate range" of acceptable sanctions. The Commission has in the past rejected settlement agreements on the basis that the sanctions agreed to did not fall within the "appropriate range". As stated in *Re Rankin* (at paragraph 19) "[our] role in considering the settlement is not to renegotiate the terms of the Settlement Agreement or to suggest changes to the agreed facts, statements and sanctions set forth in the Settlement Agreement". Nevertheless, the Commission cannot approve a settlement agreement where, in its view, the sanctions agreed to fall short of the appropriate range of acceptable sanctions.

[18] In order to determine whether proposed sanctions fall within an appropriate range, the Commission must have regard to the specific circumstances and facts of each case and the factors established in the case law as relevant, including:

- the seriousness of the allegations;
- 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.

(See, for instance, *Re Beltecto Holdings* (1998), 21 O.S.C.B. 7743 at pp. 7746-7; and *Re M.C.J.C. Holdings and Michael Cowpland* (2002), O.S.C.B. 1133 at 1136.)

[19] It is also necessary to ensure that the sanctions contained in a settlement agreement are proportionate to the conduct in question:

> We have a duty to consider what is in the public interest. To do that, we have to take into account what sanctions are appropriate to protect the integrity of the marketplace where illegal insider trading has been admitted.
>
> In doing this, we have to take into account circumstances that are appropriate to the particular respondents. This requires us to be satisfied that proposed sanctions are proportionately appropriate with respect to the circumstances facing the particular respondents. We should not just look at absolute values, e.g. what has been paid voluntarily in other settlements, or what has been found to be appropriate sanctions by way of cease trade order in other cases. (*Re M.C.J.C. Holdings and Michael Cowpland supra* at 1134.)

[20] We must take all of the above mentioned considerations into account in determining whether the Settlement Agreement is in the public interest.

B. The Seriousness of Insider Trading

[21] We agree with Staff that insider trading is a very serious offence under the Act and that it is conduct that very significantly harms investors as well as the integrity of, and confidence in, the capital markets.

[22] The insider trading prohibition is found in subsection 76(1) of the Act and provides as follows:

> No person or company in a special relationship with a reporting issuer shall purchase or sell securities of the reporting issuer with the knowledge of a material fact or material change with respect to the reporting issuer that has not been generally disclosed.

[23] Subsection 76(1) of the Act prevents individuals who are in a preferential position from trading securities with knowledge of material corporate information concerning an issuer, such as pending corporate transactions, and thereby taking advantage and exploiting information which is not generally known to others in the marketplace.

[24] As pointed out in the Kimber Report:

> The ideal securities market should be a free and open market with the prices thereon based upon the fullest possible knowledge of all relevant facts among traders. Any factor which tends to destroy or put in question this concept lessens the confidence of the investing public in the market place and is, therefore, a matter of public concern. (*The Report of the Attorney General's Committee on Securities Legislation in Ontario* (Toronto: Queen's Printer, 1965) at 10.)

[25] The Commission has emphasized in the past that "all investors should have an equal opportunity to consider all material facts and changes in reaching investment decisions" (*McLaughlin v. S.B. McLaughlin Associates Ltd.* (1981), 14 B.L.R. 46 (Ont. Securities Comm.) at 59). Insider trading violates this principle of equal opportunity and gives those with confidential, material information an unfair advantage and benefit in trading securities in the capital markets.

[26] This principle was emphasized by the Commission in *Re Duic* (2004), 27 O.S.C.B. 2754 at paragraph 25:

> To protect investors and ensure public confidence in the capital markets, the legislature has prohibited illegal insider trading. Illegal insider trading involves the purchase or sale of a security with knowledge of undisclosed material information about the issuer of the security. The purpose of this prohibition is to maintain a level playing field of available information for all investors in Ontario …

[27] Accordingly, Leung's conduct in committing insider trading is the most serious of the kinds of illegal conduct that may come before us. It is serious and it is unacceptable. We must take into account the serious nature of Leung's conduct in assessing whether the sanctions proposed in the Settlement Agreement fall within the "appropriate range" of acceptable sanctions.

IV. DISCUSSIONS AND ANALYSIS

A. Leung's Conduct

[28] Leung engaged in illegal insider trading. As a legal secretary at Bennett Jones LLP, she was in a position of trust and worked closely with the lawyers in a very highly regarded law firm. Her duties as a legal secretary put her in a position where she had access to confidential merger and acquisition information and other corporate information of various clients. She had an obligation to safeguard that information and not to use it for her own advantage.

[29] Leung was aware that insider trading was contrary to the law and that what she was doing was illegal. She admits that she was aware that she could not lawfully trade securities of reporting issuers while she possessed undisclosed confidential material information about potential transactions.

[30] Accordingly, Leung knew her conduct was illegal and a breach of trust, it was intentional and it occurred over an extended period. This was not a one-time lapse in judgment or an isolated incident; it was deliberate and planned conduct with respect to eight different reporting issuers that occurred over a period of almost three years. These circumstances make Leung's conduct, within the range of possible insider trading offences, of the most serious kind.

[31] By entering into the Settlement Agreement, Leung acknowledges that her conduct breached the Act and was contrary to the public interest and she expresses remorse for her conduct.

B. Sanctions

[32] The sanctions agreed to in the Settlement Agreement included the following:

- trading in any securities by Leung cease permanently from the date of the approval of the Settlement Agreement, except that Leung is permitted to trade only in mutual fund securities in one account on her own behalf, one account on behalf of her registered retirement savings plan, and one account on behalf of her locked-in pension plan, through no more than two registered dealers, to whom she must give a copy of this Order at the time she opens or modifies these accounts;

- acquisition of any securities by Leung is prohibited permanently from the date of the approval of the Settlement Agreement, except that Leung is permitted to acquire mutual fund securities in one account on her

own behalf, one account on behalf of her registered retirement savings plan, and one account on behalf of her locked-in pension plan, through no more than two registered dealers, to whom she must give a copy of this Order at the time she opens or modifies these accounts;

- Notwithstanding the foregoing, Leung shall have 60 days from the date of this order to effect liquidating trades of any non-mutual fund securities that she owns beneficially or over which she exercises direction or control;

- Leung shall pay the amount of $90,244 to the Commission within 60 days of this order for allocation to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act; and

- Leung shall pay costs of the investigation to the Commission in the amount of $5,000 within 60 days of this order.

[33] As noted above, in this case we are faced with very serious conduct. We agree with Staff's submission that it is important that we send a strong deterrent message to anyone who may be tempted to engage in this type of illegal conduct.

C. Mitigating Considerations

[34] Notwithstanding the seriousness of Leung's conduct, we have considered the following mitigating circumstances:

(i) once the illegal insider trading was identified, Leung was extraordinarily cooperative with Staff in bringing this matter to an expeditious conclusion;

(ii) Leung's conduct has had a devastating impact on her employment, which has been terminated, and on her future employment opportunities;

(iii) the profit made from the illegal insider trading was relatively small, approximately $51,500;

(iv) the trading by Leung was not material to the reporting issuers whose securities she traded and did not affect the market price of those securities;

(v) Leung was a legal secretary, not a lawyer or more senior person within the relevant law firm; and

(vi) Leung recognizes the seriousness of her improprieties and is remorseful.

[35] We also note that this proceeding will resolve this matter without the need for a hearing on the merits before the Commission.

D. The Amendment to the Order

[36] The Settlement Agreement submitted to us contained an order that Leung pay an administrative penalty of $90,244 and contained no bar of Leung from acting as an officer or director of a market participant. We advised Staff and the Respondent at the conclusion of the hearing that we were not prepared to approve the Settlement Agreement and the contemplated order on the terms submitted to us.

[37] We advised the parties that we had two concerns. First, we indicated that we were not prepared to approve an administrative penalty of less than two times the profit made from the illegal trading. In our view, in these circumstances, that was the minimum financial penalty that we felt conveyed the seriousness of Leung's conduct. Second, while we recognize that Leung is not currently an officer or director of a market participant and that it is unlikely that she would become one, we indicated that we were not prepared to remain silent on that matter. In our view, a person who commits insider trading of the nature described in these reasons should be permanently barred from acting as an officer or director of a market participant.

[38] After advising the parties that we would not approve the Settlement Agreement on the terms proposed, we adjourned the hearing at the request of the parties to give them an opportunity to consider our views. At the conclusion of that adjournment, counsel for Staff and Leung indicated that they had agreed to amend the proposed order to respond to our concerns.

V. CONCLUSION

[39] We believe that we are giving very substantial benefit to the Respondent in approving this settlement. By settling this matter, Leung is avoiding the possibility of a criminal proceeding under the Act with the possibility of a jail sentence. We would not have viewed these overall sanctions as adequate if a hearing had been held on the merits and we had concluded that the

Respondent had committed the insider trading that she has acknowledged in the Settlement Agreement. We would have imposed much more substantial sanctions.

[40] By approving this settlement, however, we believe that we have acted in the public interest. We have imposed a permanent trading ban on appropriate terms on Leung. We have also permanently banned Leung from being an officer or director of any market participant. The message is that if you commit insider trading you will be permanently banned from trading in Ontario and from participating in capital markets as a market participant.

[41] We have approved an administrative penalty equal to two times the profit made from the illegal trading. Accordingly, our message is that, if you commit insider trading, you will likely be subject to sanctions equal to at least two times the profit obtained from such trading.

[42] We have also recognized the very substantial cooperation of the Respondent by approving a cost award of $5,000, an amount that is substantially below the Commission's costs in this matter.

[43] In the result, we approve the Settlement Agreement as being in the public interest. The draft order in the form submitted to us is approved, except that on consent of Staff and Leung, the amount to be paid as an administrative penalty shall be $103,137.22, representing two times the profits made in this matter, and Leung is permanently prohibited from becoming a director or officer of any market participant.

DATED at Toronto on this 4th day of September, 2008.

"James E. A. Turner"

"Suresh Thakrar"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Piper Resources Ltd.	29 Aug 08	10 Sept 08	10 Sept 08	
BUS Systems Inc.	05 Sept 08	17 Sept 08		
Impatica Inc.	10 Sept 08	22 Sept 08		
KOLOMBO TECHNOLOGIES LTD.	08 Sept 08	19 Sept 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
Semcan Inc.	04 Sept 08	17 Sept 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		
OceanLake Commerce Inc.	01 Aug 08	14 Aug 08	14 Aug 08		
EnGlobe Corp.	18 Aug 08	29 Aug 08	29 Aug 08		
Semcan Inc.	04 Sept 08	17 Sept 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 SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
08/25/2008	16	Abbastar Uranium Corp. - Units	320,000.00	2,000,000.00
08/28/2008	31	Alange, Corp. - Common Shares	26,314,999.06	50,000,000.00
08/19/2008	117	Altus Energy Services Ltd. - Common Shares	16,391,375.00	5,960,500.00
07/30/2008	17	Am-Ves Resources Inc. - Units	1,104,000.00	5,520,000.00
07/16/2008	10	AMADOR GOLD CORP. - Common Shares	421,250.00	1,685,000.00
08/21/2008	2	AMADOR GOLD CORP. - Common Shares	30,000.01	181,269.00
08/21/2008	10	Apollo Gold Corporation - Flow-Through Shares	8,500,000.00	17,000,000.00
08/18/2008	10	Arctic Star Diamond Corp. - Flow-Through Units	613,000.00	6,130,000.00
08/18/2008	4	Arctic Star Diamond Corp. - Non Flow-Through Shares	315,000.00	3,150,000.00
08/19/2008	2	ASG Targetech Limited Partnership - Limited Partnership Units	125,000.00	125.00
08/19/2008	11	Atacama Minerals Corp. - Common Shares	50,025,000.00	50,025,000.00
08/20/2008	6	Atreus Pharmaceuticals Corporation - Preferred Shares	450,796.00	489,994.00
10/11/2007 to 10/26/2007	3	Base Resources Inc. - Common Shares	384,750.00	418,000.00
07/01/2008	3	BE Aerospace, Inc. - Note	8,148,800.00	1.00
08/14/2008	47	BNK Petroleum Inc. - Common Shares	25,070,000.00	13,600,000.00
08/07/2008	3	Bold Ventures Inc. - Common Shares	420,000.00	1,200,000.00
07/25/2008	10	Bowood Energy Corp. - Common Shares	246,530.00	183,454.00
07/25/2008	46	Bowood Energy Corp. - Flow-Through Shares	1,961,198.40	889,727.00
04/28/2008	1	Briar House Capital Corporation - Preferred Shares	11,500.00	11,500.00
08/15/2008 to 08/21/2008	49	Canacol Energy Inc. - Common Shares	2,311,380.50	3,555,970.00
08/15/2008	1	Canada Mortgage Acceptance Corporation - Certificate	166,269,970.13	166,269,970.13

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
08/20/2008	1	Canadian Quantum Energy Corp. - Common Shares	499,996.00	71,428.00
08/08/2008	10	Cannasat Therapeutics Inc. - Common Shares	235,000.00	1,175,000.00
08/26/2008	23	CareVest Blended Mortgage Investment Corporation - Preferred Shares	758,332.00	758,332.00
08/26/2008	28	CareVest First Mortgage Investment Corporation - Preferred Shares	1,630,198.00	1,630,198.00
08/12/2008	1	Carfinco Income Fund - Debentures	200,000.00	2,000,000.00
08/13/2008	1	Carlyle Asia Growth Partners IV, L.P. - Limited Partnership Interest	13,321,250.00	1.00
07/25/2008	1	China Environment Fund III, L.P. - Limited Partnership Interest	20,228,000.00	20,228,000.00
08/15/2008	1	China Medical Technologies, Inc. - Notes	848,720,000.00	8,000,000.00
08/29/2008	19	Clear Vistas Development Corporation - Units	901,600.00	9,016.00
08/09/2008 to 08/15/2008	4	CMC Markets Canada Inc. - Contracts for Differences	8,000.00	4.00
08/23/2008 to 09/03/2008	16	CMC Markets UK plc - Contracts for Differences	54,235.53	16.00
08/11/2008	1	Concave Holdings Inc. - Common Shares	50,100.00	6,000.00
08/15/2008	1	Credit Suisse - Notes	3,182,700.00	3,182,700.00
04/18/2008 to 07/09/2008	21	Crostek Management Corp. - Common Shares	387,600.00	387,600.00
08/19/2008	1	Dorato Resources Inc. - Common Shares	2,550,000.00	1,500,000.00
06/17/2008	1	Dorothy of OZ, LLC - Units	5,000.00	5,000.00
07/23/2008	1	Dorothy of OZ, LLC - Units	15,000.00	15,000.00
08/20/2008	3	Eagleridge Minerals Ltd. - Common Shares	400,000.00	3,666,666.00
08/14/2008 to 08/22/2008	15	Edgeworth Mortgage Investment Corporation - Preferred Shares	689,500.00	68,950.00
09/03/2008	10	Emerald Bay Energy Inc. - Flow-Through Shares	919,675.35	6,131,169.00
07/21/2008 to 07/23/2008	30	Enwise Holdings Inc. - Debentures	1,658,010.00	3,000,000.00
08/16/2008	3	Equimor Mortgage Investment Corporation - Common Shares	45,000.00	45,000.00
08/13/2008	28	Exile Resources Inc. - Warrants	3,630,319.55	13,962,764.00
08/19/2008	1	FairWest Energy Corporation - Units	750,000.00	5,000,000.00
05/01/2003 to 01/06/2006	40	Farm Mutual Canadian Equity Pooled Fund - Common Shares	65,592,595.19	NA

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
05/01/2003 to 01/06/2006	45	Farm Mutual Canadian Fixed Income Pooled Fund - Common Shares	262,499,810.66	NA
08/28/2008	1	First Leaside Expansion Limited Partnership - Limited Partnership Interest	25,000.00	25,000.00
08/28/2008	2	First Leaside Fund - Trust Units	17,051.00	17,051.00
08/21/2008	1	First Leaside Wealth Management Inc. - Notes	33,153.00	33,153.00
08/25/2008	1	First Leaside Wealth Management Inc. - Preferred Shares	100,000.00	100,000.00
08/15/2008	3	Forbes Medi-Tech Inc. - Common Shares	154,467.00	168,322.00
08/15/2008	3	Forest Pacific Biochemicals Corporation - Preferred Shares	27,000.00	18,000.00
08/22/2008	32	Forum Uranium Corporation - Flow-Through Shares	884,800.00	3,160,000.00
07/31/2008	1	FountainVest China Growth Fund, L.P. - Limited Partnership Interest	23,591,100.00	1.00
08/29/2008 to 09/02/2008	228	GasFrac Energy Services Inc. - Common Shares	59,500,000.00	14,000,000.00
08/18/2008 to 08/22/2008	19	General Motors Acceptance Corporation of Canada, Limited - Notes	6,583,574.78	6,583,574.78
08/11/2008 to 08/15/2008	21	General Motors Acceptance Corporation of Canada, Limited - Notes	6,835,202.16	6,835,202.16
08/20/2008	7	Geomega Resources Inc. - Common Shares	250,000.00	2,500,000.00
08/25/2008	1	Gold Summit Corporation - Common Shares	14,250.00	150,000.00
08/22/2008	1	Green Breeze Inc. - Common Shares	300,000.00	300,000.00
08/25/2008	2	Indicator Minerals Inc. - Units	255,000.00	1,275,000.00
08/12/2008	162	Infinity Alliance Ventures Inc. - Common Shares	4,999,999.80	833,333.00
08/12/2008	65	Infinity Alliance Ventures Inc. - Units	1,529,201.40	8,167,837.00
08/20/2008	13	Jennerex, Inc. - Units	1,924,719.36	4,009,832.00
08/15/2008	3	Kingwest Avenue Portfolio - Units	247,805.40	8,716.92
08/21/2008	1	Klondike Silver Corp. - Common Shares	513,000.00	1,800,000.00
08/20/2008	2	Klondike Silver Corp. - Flow-Through Units	1,200,000.00	6,000,000.00
07/23/2008	3	Knightscove Media Corp. - Common Shares	100,000.00	400,000.00
08/19/2008	9	Latin American Minerals - Units	4,013,400.30	13,378,001.00
08/01/2008	15	Longbow Capital Limited Partnership #17 - Limited Partnership Units	793,000.00	793.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
08/15/2008	2	Lounor Exploration inc. - Common Share Purchase Warrant	109,080.00	5,755,516.00
08/15/2008	7	Lounor Exploration inc. - Flow-Through Shares	1,093,548.68	5,755,516.00
08/20/2008	3	Malbex Resources Inc. - Common Shares	125,000.00	1,000,000.00
08/20/2008	2	Mandalay Resources Corporation - Units	100,000.00	222,222.00
08/12/2008	2	Massey Energy Company - Notes	10,640,000.00	10,000.00
08/21/2008	13	Meadow Bay Capital Corporation - Flow-Through Units	935,800.00	3,119,000.00
08/21/2008	2	Meadow Bay Capital Corporation - Units	40,000.00	200,000.00
08/20/2008	3	Mengold Resources Inc. - Units	500,000.00	2,500,000.00
07/11/2008	10	Merrill Lynch Canada Finance Company - Common Shares	4,263,870.00	4,225,000.00
08/22/2008	1	MPH Ventures Corp. - Common Shares	6,375.00	25,000.00
08/25/2008 to 09/02/2008	10	Nelson Financial Group Ltd. - Notes	2,422,700.00	55.00
08/15/2008 to 08/21/2008	18	Newport Canadian Equity Fund - Units	1,758,500.00	12,165.28
08/21/2008	16	Newport Diversified Hedge Fund - Units	521,985.59	3,876.69
08/15/2008	4	Newport Fixed Income Fund - Units	700,000.00	6,843.17
08/15/2008 to 08/21/2008	16	Newport Global Equity Fund - Units	1,284,000.00	17,750.74
08/15/2008 to 08/21/2008	19	Newport Yield Fund - Units	1,119,405.69	9,372.28
08/08/2008	30	North American Financial Group Inc. - Debt	270,000.00	35.00
08/14/2008	1	Nylim Jacob Ballas India Fund III, LLC - Common Shares	4,248,000.00	400.00
08/08/2008	4	Odyssey Resources Limited - Common Shares	3,200,000.00	12,800,000.00
08/19/2008	2	OptiSolar Inc. - Preferred Shares	3,151,043.21	484,677.00
08/08/2008	15	Pacific Ridge Exploration Ltd. - Common Shares	205,000.00	1,025,000.00
07/31/2008	2	Passchendaele Film Distribution Limited Partnership - Limited Partnership Units	1,000,000.00	4.00
08/21/2008	23	Pengrowth Corporation - Notes	280,000,000.00	NA
08/11/2008	6	Petrohawk Energy Corporation - Common Shares	98,638,000.00	3,310,000.00
08/29/2008	14	PFC2018 Pacifc Financial Corp. - Bonds	984,000.00	4,000.00
08/20/2008	1	Polar Star Mining Corporation - Units	50,050.00	77,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
05/27/2008	42	Prairie Hunter Energy Corporation - Common Shares	1,060,500.00	1,060,500.00
05/27/2008	1	Prairie Hunter Energy Corporation - Flow-Through Shares	60,000.00	50,000.00
09/02/2008	1	Premier Gold Mines Limited - Common Shares	108,000.00	50,000.00
08/19/2008	5	Primary Petroleum Corporation - Common Shares	2,442,020.55	6,105,051.00
08/18/2008 to 08/21/2008	2	Ranchlands I Limited Partnership - Units	50,000.00	2.00
08/22/2008	42	Reece Energy Exploration Corp. - Common Shares	11,999,997.70	3,870,967.00
08/11/2008 to 08/13/2008	4	Royal Bank of Canada - Notes	7,045,020.00	6,600.00
08/15/2008 to 08/21/2008	104	Secure Energy Services Inc. - Common Shares	5,209,585.40	1,532,231.00
08/08/2008	6	Sextant Strategic Opportunities Hedge Fund LP - Units	579,750.00	10,047.90
08/13/2008 to 08/15/2008	2	Silver Reserve Corp. - Units	1,169,390.00	2,200,000.00
08/21/2008	12	Skyline Gold Corporation - Units	241,935.00	2,016,125.00
08/21/2008	1	St James Resources Inc. - Common Shares	349,999.20	388,888.00
08/05/2008	1	Strategic Connections Inc. - Preferred Shares	5,000,000.00	779,390.00
07/18/2008	9	Sure Energy Inc. - Common Shares	5,249,809.05	4,999,091.00
07/18/2008	19	Sure Energy Inc. - Flow-Through Shares	2,747,837.29	1,892,907.00
08/25/2008	6	Swilcan Bridge Productions Ltd. Partnership - Units	197,176,877.18	92,704.00
08/14/2008	1	The Eclipse Fund Limited - Common Shares	26,549,903.81	2,542.83
08/14/2008	1	The Eclipse Fund Limited - Preferred Shares	26,549,903.81	2,542.83
07/11/2008	1	Trez Capital Corporation - Mortgage	250,000.00	250,000.00
08/08/2008	1	UCP III Co-Investments (A), L.P. - Limited Partnership Interest	29,094,000.00	3,000,000,000.00
08/28/2008	4	Upper Canyon Minerals Corp. - Common Shares	500,000.00	2,000,000.00
08/24/2008	2	Verbina Resources Inc. - Common Shares	40,000.00	100,000.00
08/20/2008	1	WALLBRIDGE MINING COMPANY LIMITED - Units	351,000.00	1,300,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
08/22/2008	17	Walton AZ Sawtooth Investment Corporation - Common Shares	418,000.00	41,800.00
08/20/2008	177	Walton AZ Sawtooth Investment Corporation - Common Shares	5,314,090.00	531,409.00
08/22/2008	6	Walton AZ Sawtooth Limited Partnership - Limited Partnership Units	306,512.39	28,767.00
08/12/2008	26	Walton AZ Sawtooth Limited Partnership - Limited Partnership Units	1,051,944.88	98,867.00
08/20/2008	7	Walton AZ Sawtooth Limited Partnership - Limited Partnership Units	5,553,592.31	521,709.00
08/12/2008	21	Walton AZ Silver Reef 3 Investment Corporation - Common Shares	477,940.00	47,794.00
08/22/2008	37	Walton TX South Grayson Investment Corporation - Common Shares	880,120.00	88,012.00
08/22/2008	4	Walton TX South Grayson Limited Partnership - Limited Partnership Units	931,389.28	87,062.00
08/27/2008	1	Wedge Energy International Inc. - Flow-Through Shares	50,000.00	250,000.00
08/13/2008	2	West Timmins Mining Inc. - Flow-Through Shares	1,950,000.00	3,000,000.00
07/17/2008 to 08/05/2008	21	WestFire Energy Ltd. - Common Shares	2,369,010.00	394,835.00
08/22/2008	24	Xtreme Science Products Inc. - Common Shares	837,475.50	1,116,634.00
08/18/2008	34	Zinccorp Resources Inc. - Flow-Through Units	846,000.00	3,334,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
ACTIVEnergy Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 3, 2008
NP 11-202 Receipt dated September 4, 2008
Offering Price and Description:
Offering of * Rights to Subscribe for an aggregate of up to * Units Price: Three Rights and $* per Unit
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1318706

Issuer Name:
Banro Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 2, 2008
NP 11-202 Receipt dated September 3, 2008
Offering Price and Description:
US $500,000,000.00:
Common Shares
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1318213

Issuer Name:
Class A-1 Income
Class B-1 Canadian Equity
Class C-1 U.S. Equity
Class D-1 International Equity
Class E-1 Emerging Markets Equity
Class F-1 Alternative Strategies
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated September 4, 2008
NP 11-202 Receipt dated September 5, 2008
Offering Price and Description:
Series A, F and I Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
R.N. Croft Financial Group Inc.
Project #1318933

Issuer Name:
Creststreet Resource Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 2, 2002
NP 11-202 Receipt dated September 4, 2008
Offering Price and Description:
Series A and 2009 shares
Underwriter(s) or Distributor(s):
Creststreet Asset Management Limited
Promoter(s):
-
Project #1313607

Issuer Name:
Cymbria Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated September 4, 2008
NP 11-202 Receipt dated September 5, 2008
Offering Price and Description:
Maximum $ * (* Class A Shares) Price - $10.00 per Share
Minimum Purchase - 100 Shares
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Dundee Securities Corporation
Blackmont Capital Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Industrial Alliance Securities Inc.
Raymond James Ltd
Richardson Partners Financial Limited
Desjardins Securities Inc.
GMP Securities L.P.
M Partners Inc.
Manulife Securities Incorporated
Wellington West Capital Markets Inc.
Promoter(s):
Edgepoint Investment Group Inc.
Project #1318993

Issuer Name:
Cymbria Corporation
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated September 9, 2008
NP 11-202 Receipt dated September 9, 2008
Offering Price and Description:
$* - * Class A Shares Price: $* per Class A Share -
Minimum Purchase: 100 Shares
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Dundee Securities Corporation
Blackmont Capital Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Industrial Alliance Securities Inc.
Raymond James Ltd
Richardson Partners Financial Limited
Desjardins Securities Inc.
GMP Securities L.P.
M Partners Inc.
Manulife Securities Incorporated
Wellington West Capital Markets Inc.
Promoter(s):
Edgepoint Investment Group Inc.
Project #1318993

Issuer Name:
First Asset CanBanc Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated September 8, 2008
NP 11-202 Receipt dated September 9, 2008
Offering Price and Description:
$ * (Maximum) * Preferred Shares and * Class A Shares
$10.00 per Preferred Share and $15.00 per Class A Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Manulife Securities Incorporated
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
First Asset Investment Management Inc.
Project #1319907

Issuer Name:
O'Leary Global Infrastructure Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated September 4, 2008
NP 11-202 Receipt dated September 5, 2008
Offering Price and Description:
$ * (*) Maximum $12.00 per Combined Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Blackmont Capital Inc.
Wellington West Capital Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Richardson Partners Financial Limited
Promoter(s):
GENCAP Funds LP
GENCAP Funds Inc.
Project #1318927

Issuer Name:
The Toronto Dominion Bank
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated August 29, 2008
NP 11-202 Receipt dated August 29, 2008
Offering Price and Description:
$ * - * TD Capital Trust III Securities - Series 2008 (TD CaTS III)
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Merrill Lynch Canada Inc
Desjardins Securities Inc.
Promoter(s):
-
Project #1319904/1315079

Issuer Name:
Creststreet Resource Class
Creststreet Managed Income Class
of
Creststreet Mutual Funds Limited
(Shares)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 28, 2008 to the Simplified Prospectuses and Annual Information Forms dated November 19, 2007
NP 11-202 Receipt dated September 8, 2008
Offering Price and Description:
Mutual Fund Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Creststreet Asset Management Limited
Project #1170070

Issuer Name:
Desjardins Dividend Fund
Desjardins CI Value Trust Corporate Class Fund
Desjardins Ethical Canadian Balanced Fund
Principal Regulator - Quebec
Type and Date:
Amendment #1 dated September 2, 2008 to the Simplified Prospectuses and Annual Information Forms dated January 25, 2008
NP 11-202 Receipt dated September 8, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Féderation des caisses Desjardins de Québec
Promoter(s):
Federation Des Caisses Desjardins Du Quebec
Project #1185962

Issuer Name:
Dynamic Money Market Fund (Series A and F Units)
Dynamic Advantage Bond Class of Dynamic Global Fund Corporation
(Series A, F and I Shares)
Dynamic Dividend Income Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Money Market Class of Dynamic Global Fund Corporation
(Series A and F Shares)
Dynamic Power American Growth Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Power Canadian Growth Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Power Global Growth Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Canadian Dividend Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Canadian Value Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic EAFE Value Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Global Discovery Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Global Dividend Value Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Global Value Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Value Balanced Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Dynamic Global Energy Class of Dynamic Global Fund Corporation
(Series A, F, I and O Shares)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated August 26, 2008 to the Simplified Prospectuses and Annual Information Forms dated December 19, 2007
NP 11-202 Receipt dated September 4, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #1184956

Issuer Name:
Dynamic Power Balanced Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated September 8, 2008
NP 11-202 Receipt dated September 9, 2008
Offering Price and Description:
Series A, F, I, O and T Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel, Ltd.
Project #1301256

Issuer Name:
Dynamic Power Global Balanced Class of Dynamic Global Fund Corporation
(Series A, F, I, O and T Shares)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated August 26, 2008 amending and restating the Simplified Prospectus and Annual Information Form dated June 24, 2008
NP 11-202 Receipt dated September 4, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #1268273

Issuer Name:
Dynamic Power Global Navigator Class
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated August 26, 2008 amending and restating the Simplified Prospectus and Annual Information Form dated June 24, 2008
NP 11-202 Receipt dated September 4, 2008
Offering Price and Description:
Series A, F, I, O and T Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #1268270

Issuer Name:
DynamicEdge Balanced Class Portfolio
DynamicEdge Balanced Growth Class Portfolio
DynamicEdge Balanced Growth Portfolio
DynamicEdge Balanced Portfolio
DynamicEdge Equity Class Portfolio
DynamicEdge Equity Portfolio
DynamicEdge Growth Class Portfolio
DynamicEdge Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 26, 2008 to the Simplified Prospectuses and Annual Information Forms dated January 29, 2008
NP 11-202 Receipt dated September 4, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #1201010

Issuer Name:
Friedberg Global-Macro Hedge Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 4, 2008
NP 11-202 Receipt dated September 5, 2008
Offering Price and Description:
Trust Units
Underwriter(s) or Distributor(s):
Friedberg Mercantile Group Ltd.
Promoter(s):
Friedberg Mercantile Group Ltd.
Project #1293638

Issuer Name:
Global Educational Trust Plan
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated August 28, 2008
NP 11-202 Receipt dated September 5, 2008
Offering Price and Description:
Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Global Educational Trust Foundation
Project #1295462

Issuer Name:
Harmony Canadian Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #4 dated September 2, 2008 to the Simplified Prospectus and Annual Information Form dated January 31, 2008
NP 11-202 Receipt dated September 8, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
AGF Funds Inc.
Project #1201199

Issuer Name:
Java Capital, Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated September 4, 2008
NP 11-202 Receipt dated September 8, 2008
Offering Price and Description:
$500,000.00 - 5,000,000 Common Shares at $0.10 per Common Share
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
Mansoor Anjum
Project #1295331

Issuer Name:
Keyera Facilities Income Fund
Principal Regulator - Alberta
Type and Date:
Final Short Form Base Shelf Prospectus dated September 3, 2008
NP 11-202 Receipt dated September 3, 2008
Offering Price and Description:
$1,000,000,000.00:
Trust Units
Subscription Receipts
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1309377

Issuer Name:
KJH Capital Preservation Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated August 27, 2008
NP 11-202 Receipt dated September 5, 2008
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
K.J. Harrison & Partners Inc.
Promoter(s):
K.J. Harrison and Partners Inc.
Project #1294246

Issuer Name:
Penfold Capital Acquisition III Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 8, 2008
NP 11-202 Receipt dated September 9, 2008
Offering Price and Description:
$600,000.00 or 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:
ProMetic Life Sciences Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Base Shelf Prospectus dated September 4, 2008
NP 11-202 Receipt dated September 5, 2008
Offering Price and Description:
$42,000,000.00 - Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1302138

Issuer Name:
Series A, Series F, Series F-7, Series O, Series 7 Units (unless otherwise indicated) of:
ROI Canadian Retirement Fund (also, Series F-5 and Series 5 Units)
ROI Global Retirement Fund (also, Series F-5, Series F-9, Series 5 and Series 9 Units)
ROI Sceptre Retirement Growth Fund (also, Series C-7, Series F-9 and Series 9 Units)
ROI Global Supercycle Fund (also, Series F-9 and Series 9 Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated August 29, 2008
NP 11-202 Receipt dated September 5, 2008
Offering Price and Description:
Mutual fund trust units at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Return on Innovation Management Ltd.
Project #1300450

Issuer Name:
TD Capital Trust III
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated September 8, 2008
NP 11-202 Receipt dated September 8, 2008
Offering Price and Description:
$1,000,000,000.00 - 1,000,000 TD Capital Trust III Securities — Series 2008 (TD CaTS III(TM))
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Merrill Lynch Canada Inc
Desjardins Securities Inc.
Promoter(s):
-
Project #1315079

Issuer Name:
Consonus Technologies, Inc.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary PREP Prospectus dated May 4, 2007
First Amended and Restated Preliminary PREP Prospectus dated August 9, 2007
Second Amended and Restated Preliminary PREP Prospectus dated September 27, 2007
Third Amended and Restated Preliminary PREP Prospectus dated November 16, 2007
Fourth Amended and Restated Preliminary PREP Prospectus dated December 21, 2007
Fifth Amended and Restated Preliminary PREP Prospectus dated June 10, 2008
Sixth Amended and Restated Preliminary PREP Prospectus dated July 24, 2008
Seventh Amended and Restated Preliminary PREP Prospectus dated July 28, 2008
Eighth Amended and Restated Preliminary PREP Prospectus dated August 12, 2008
Withdrawn on September 8, 2008
Offering Price and Description:
$ * - 3,000,000 Shares of Common Stock Price: $ * per Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
-
Project #1096495

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: Alpha Scout Capital Management Inc. To: Artemis Investment Management Limited	Limited Market Dealer & Investment Counsel & Portfolio Manager	August 29, 2008
Change of Name	From: ABN AMRO Asset Management Canada Limited/ ABN AMRO Gestion D'actifs Canada To: Fortis Investment Management Canada Ltd.	Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Manager	August 29, 2008
New Registration	Pugsley Capital Inc.	(Extra-Provincial) Investment Counsel & Portfolio Manager	September 3, 2008
New Registration	CGS Asset Management Ltd.	Extra-Provincial Investment Counsel & Portfolio Manager	September 3, 2008
New Registration	NeoNet Securities	International Dealer	September 5, 2008
New Registration	NeoNet Securities, Inc.	International Dealer	September 5, 2008

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Hearing Panel issues Decision and Reasons respecting Joplin Leclair

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES DECISION AND REASONS RESPECTING JOPLIN LECLAIR

September 3, 2008 (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Decision and Reasons in connection with the disciplinary hearing held in Toronto, Ontario on June 10, 2008 in respect of Joplin Leclair.

A copy of the Decision and Reasons is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 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 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Pledge: Pending Reason Code

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

PLEDGE: PENDING REASON CODE

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE AMENDMENTS

Background

The CDS Strategic Development Review Committee ("SDRC") Debt subcommittee has requested an enhancement to the CDSX® Pledge function that would identify all short securities in a pending pledge and advise the party (borrower or lender) that has the short security position both online and via an InterLink CDSP05N message.

The addition of this "pending status" functionality will:

- streamline the effort required by the participant to determine which securities are causing the pledge transaction to pend; and
- speed up the pledge settlement process, as short securities will be automatically highlighted to participants.

The change will apply to both pledges between participants, and to pledges by participants to CDS in support of their collateral obligations (CMS function).

The Procedures marked for the amendments may be accessed at the CDS website at:

http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open

Description of Proposed Amendments

The following procedures will be impacted by this initiative:

Pledge and Settlement Procedures:

- Chapter 3 Inquiring on Pledges
- Chapter 4 Modifying Pledges, Section 4.1
- Chapter 7 Pledge Settlement, Section 7.2

Participating in CDS Services:

- Chapter 14 Collateral Administration, Sections 14.2.5 and 14.2.6

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépot et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that these amendments will be effective on **September 15, 2008**.

These amendments were reviewed and approved by the SDRC on **July 31, 2008**.

D. QUESTIONS

Questions regarding this notice may be directed to:

Eduarda Matos
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3567
Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Managing Director, Legal

13.1.3 MFDA Hearing Panel Issues Decision and Reasons Respecting Portfolio Strategies Corporation

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES
DECISION AND REASONS RESPECTING
PORTFOLIO STRATEGIES CORPORATION

September 5, 2008 (Toronto, Ontario) – A Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Decision and Reasons in connection with the settlement hearing held in Calgary, Alberta on June 19, 2008 in respect of Portfolio Strategies Corporation.

A copy of the Decision and Reasons is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 157 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

13.1.4 MFDA Pacific Regional Council Hearing in the Matter of Marlene Legare

NEWS RELEASE
For immediate release

MFDA PACIFIC REGIONAL COUNCIL HEARING
IN THE MATTER OF MARLENE LEGARE

September 8, 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 took place on August 18, 2008 and was adjourned to Monday, December 15, 2008 at 10:00 a.m. (Vancouver). The next appearance will take place in the Hearing Room located at the Wosk Centre for Dialogue, 580 West Hastings Street, Vancouver, British Columbia, or as soon thereafter as the hearing can be held.

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

A copy of the Notice of Settlement Hearing is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 157 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) 943-4605 or ymacdougall@mfda.ca

13.1.5 MFDA Hearing Panel Reserves Judgment on Motion Brought by Farm Mutual Financial Services Inc.

NEWS RELEASE
For immediate release

MFDA HEARING PANEL RESERVES JUDGMENT ON
MOTION BROUGHT BY FARM MUTUAL FINANCIAL SERVICES INC.

September 9, 2008 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Farm Mutual Financial Services Inc. ("Farm Mutual") by Notice of Hearing dated June 2, 2008.

As directed by the Hearing Panel at the first appearance held June 27, 2008, a pre-hearing motion by Farm Mutual was heard by the Hearing Panel today. Following preliminary submissions by the parties with respect to the conduct of the motion, the Hearing Panel heard submissions concerning the MFDA's jurisdiction to regulate the distribution of exempt products by its Members in Ontario.

The Hearing Panel reserved its judgment with respect to both the preliminary matters and the merits of the motion pending further written submissions to be filed by the parties.

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 157 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

13.1.6 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures - Housekeeping Items

CDS Clearing and Depository Services Inc. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

HOUSEKEEPING ITEMS

REVISED NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE AMENDMENTS

Background

The proposed amendments are housekeeping amendments made in the ordinary course of review of CDS's Participant Procedures. They include the following:

- Add Euroclear UK Direct Service to the Additional Services section in Chapter 1 of the CDSX Procedures and User Guide;
- Change the ATON field value from NF to NL;
- Replace IDA with its new merger name, Investment Industry Regulatory Organization of Canada ("IIROC"), throughout all CDS participant procedures;
- Update the international deliveries information in Chapter 1 of the Trade and Settlement Procedures;
- Update the CDSX® functions table in the CDSX Procedures and User Guide; and
- Add Euroclear UK Direct and SEB Link services to the list of international services in the CDSX Procedures and User Guide.

The Procedures marked for the amendments may be accessed at the CDS website at:

http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open

Description of Proposed Amendments

The following procedures will be impacted by this initiative:

ATON User Guide:
- Chapter 1 Introduction to ATON, Section 1.5
- Chapter 6 Field Values, Section 6.1

CDSX Procedures and User Guide:
- Chapter 1 Introduction to CDSX, Sections 1.1 and 1.12
- Chapter 3 Issue Activities, Section 3.6.5

CDS Reporting Procedures:
- Chapter 24 Trade Matching Reports, Section 24.1

Participating in CDS Services:
- Chapter 6 Registering and Withdrawing from CDS Services, Section 6.26
- Chapter 15 Collateral Pools, Section 15.5.2

Trade and Settlement Procedures:
- Overview
- Chapter 1 Introduction to Trade and Settlement, Section 1.8 and 1.9
- Chapter 6 Trade Matching, Section 6.8

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépot et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that these amendments will be effective on **September 15, 2008**.

These amendments were reviewed and approved by the CDS Strategic Development Review Committee ("SDRC") on **July 31, 2008**.

D. QUESTIONS

Questions regarding this notice may be directed to:

Eduarda Matos
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3567
Fax: 416-365-1984
e-mail: ematos@cds.ca

JAMIE ANDERSON
Managing Director, Legal

13.1.7 Notice and Request for Comment - Material Amendments to CDS Procedures Relating to CAVALI Link Service

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

MATERIAL AMENDMENTS TO CDS PROCEDURES

CAVALI LINK SERVICE

REQUEST FOR COMMENTS

A. DESCRIPTION OF THE PROPOSED AMENDMENTS

The following CDS procedures will be impacted by this initiative:

International Services Procedures:
- Overview
- Chapter 5 CAVALI Link Service.

The procedures will be updated to inform CDS participants that they can settle trades with participants of the central securities depository ("CSD") for Peru, CAVALI S.A I.C.L.V ("CAVALI") on a free of payment basis within CDSX® for securities that are CDSX eligible. Facilitating settlements of securities positions on a free of payment basis with CAVALI's account in CDSX will operate in the same manner as settling securities positions on a free of payment basis with any CDS participant. However, because CAVALI is a foreign depository, CDS will add CAVALI as a CSD link to its existing list of foreign depositories such as JASDEC (Japan) and Euroclear France. A small section will be added to CDS's internal and external procedures accordingly.

B. NATURE AND PURPOSE OF THE PROPOSED AMENDMENTS

CAVALI submitted an application to become a CDS participant in order to move positions of securities eligible at CDS on a free-of-payment basis. CAVALI is a public corporation listed on the Bolsa de Valores de Lima – BVL (Lima Stock Exchange), whose purpose is the registration, custody, clearing, settlement and transfer of securities, as defined under the Peru Securities Market Act.

CDS's review process for approving new participants was undertaken as required - first to The Canadian Depository for Securities Limited ("CDS Ltd.") Strategy Group, (comprised of CDS Ltd.'s executive management), then to the Governance/Human Resources Committee of the CDS Ltd. Board of Directors[1], and then to the CDS Ltd. Board of Directors itself. CAVALI's application to become a CDS participant was reviewed to ensure that all of the requirements in the CDS participant rules and the application for participation were satisfied. CAVALI's application to become a CDS participant was approved by the CDS Ltd. Board of Directors on June 17, 2008.

The nature of CAVALI's participation in CDSX will be the same as the existing international link CDS has with JASDEC. The amendment will formalize CDS's addition of CAVALI to it's suite of international links with other CSDs and to advise participants how they may facilitate settlements with CAVALI's account within CDSX.

The settlement in CAVALI's account within CDSX will be for securities issued by Canadian companies that are inter-listed on the Lima Stock Exchange ("BVL") and the TSX or the TSX Venture Exchange. The link with CAVALI will allow participants of both depositories to facilitate book-based movements of inter-listed Canadian securities that are eligible at both depositories, within CDSX. The transactions in CDSX will be treated as non-exchange trades for settlement purposes. Settlement of the funds obligations associated with securities transactions will be completed outside of CDS, as the proposed arrangement with CAVALI will only allow free of payment transactions.

There will be no change in process at CDS or in CDSX functionality, as CAVALI's account will operate as any other CDSX account. Participants will be informed of the opening of CAVALI's account at CDS as a new participant in the CDSX.

By becoming a participant of CDS, CAVALI will be able to more efficiently move Canadian securities on behalf of its participants within CDSX. Also Peruvian investors will be better able to transact in Canadian securities with the corollary benefit of improved liquidity for the Canadian issuers of these securities. CDS participants that transact in these inter-listed securities also should benefit from the elimination of the hurdles associated with clearing by alternative means for securities that are transacted with Peruvian brokers.

[1] Pursuant to a unanimous shareholder agreement between The Canadian Depository for Securities Limited ("CDS Ltd.") and CDS, effective as of November 01, 2006, CDS Ltd., which acts under the supervision of its Board of Directors, assumed all rights, powers, and duties of the CDS Board of Directors.

Establishing a link with CAVALI to allow improved trade in Canadian securities between the Canadian and Peruvian markets is consistent with CDS's international strategy and our mandate to foster the global competitiveness of our stakeholders. Such a link is also consistent with the Free Trade Agreement[2] that was signed recently between Canada and Peru.

C. IMPACT OF THE PROPOSED AMENDMENTS

The proposed amendments to the CDS Procedures relating to the CAVALI Link Service will not have any impact on current or prospective CDS participants.

C.1 Competition

The proposed amendments to the CDS Procedures relating to the CAVALI Link Service will have no impact on the ability of qualified and eligible market participants to access CDS's clearing, settlement, and depository services.

C.2 Risks and Compliance Costs

There are no changes in risks or compliance costs for marketplaces or for CDS.

C.3 Comparison to International Standards – (a) Committee on Payment and Settlement Systems of the Bank for International Settlements, (b) Technical Committee of the International Organization of Securities Commissions, and (c) the Group of Thirty

No such comparison is available in respect of the proposed amendments.

D. DESCRIPTION OF THE PROCEDURE DRAFTING PROCESS

D.1 Development Context

The proposed amendments were developed by CDS staff in order to inform CDS participants that they can settle trades with CAVALI's participants on a free of payment basis within CDSX for securities that are CDSX eligible.

D.2 Procedure Drafting Process

CDS Procedure Amendments are reviewed and approved by CDS's Strategic Development Review Committee ("SDRC"). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SRDC's membership includes representatives from the CDS Participant community and it meets on a monthly basis.

D.3 Issues Considered

The proposed amendments will inform CDS participants that they can settle trades with CAVALI's participants on a free of payment basis within CDSX for securities that are CDSX eligible.

D.4 Consultation

The SDRC reviewed and approved the proposed amendments on July 31, 2008, prior to their submission for public comment.

D.5 Alternatives Considered

The *status quo* was considered, but CAVALI's participation in CDS presented significant benefits to both parties' participant communities and markets. As a result of becoming a participant of CDS, CAVALI's and CDS participants will be able to more efficiently settle Canadian securities within CDSX. Also Peruvian investors will be better able to transact in Canadian securities with the corollary benefit of improved liquidity for the Canadian issuers of these securities. These securities positions are currently settled through CAVALI's account with DTCC in the U.S, but often transactions experience delays, so this new arrangement with CDS is expected to be more efficient.

Establishing a link with CAVALI will allow improved trade in Canadian securities between the Canadian and Peruvian markets which is consistent with CDS's international strategy and CDS's mandate to foster the global competitiveness of its stakeholders.

[2] http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/peru-perou/peru-perou-table.aspx

D.6 Implementation Plan

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the Ontario *Securities Act*. The Autorité des marchés financiers has authorized CDS to carry on clearing activities in Québec pursuant to sections 169 and 170 of the Québec *Securities Act*. In addition CDS is deemed to be the clearing house for CDSX®, a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the *Payment Clearing and Settlement Act.* The Ontario Securities Commission, the Autorité des marchés financiers and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

The amendments to Participant Procedures may become effective upon approval of the amendments by the Recognizing Regulators following public notice and comment.

E. TECHNOLOGICAL SYSTEMS CHANGES

E.1 CDS

No technological systems changes to CDS's systems are anticipated as a result of the proposed amendments.

E.2 CDS Participants

No technological systems changes to participants' systems are anticipated as a direct result of the proposed amendments.

E.3 Other Market Participants

The proposed amendments are not expected to result in any technological systems changes for other market participants.

F. COMPARISON TO OTHER CLEARING AGENCIES

No comparable or similar procedures were available for other clearing agencies.

G. PUBLIC INTEREST ASSESSMENT

CDS has determined that the proposed amendments are not contrary to the public interest.

H. COMMENTS

Comments on the proposed amendments should be in writing and delivered by October 12, 2008 to:

Eduarda Matos
Legal Counsel
CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9
Fax: 416-365-1984
e-mail: attention@cds.ca

Copies should also be provided to the Autorité des marchés financiers and the Ontario Securities Commission by forwarding a copy to each of the following individuals:

M^e^ Anne-Marie Beaudoin
Directrice du secrétariat
Autorité des marchés financiers
800, square Victoria, 22nd floor
PO box 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

Fax: (514) 873-7455
e-mail: consultation-en-cours@lautorite.qc.ca

Manager, Market Regulation Branch
Ontario Securities Commission
Suite 1903, Box 55,
20 Queen Street West
Toronto, Ontario, M5H 3S8

Fax: 416-595-8940
e-mail: marketregulation@osc.gov.on.ca

CDS will make available to the public, upon request, all comments received during the comment period.

I. PROPOSED PROCEDURE AMENDMENTS

Appendix “A” contains text of current CDS Participant Procedures marked to reflect proposed amendments as well as text of these procedures reflecting the adoption of the proposed amendments.

JAMIE ANDERSON
Managing Director, Legal

APPENDIX "A"
PROPOSED PROCEDURE AMENDMENT

Text of CDS Participant Procedures marked to reflect proposed amendments	Text of CDS Participant Procedures reflecting the adoption of proposed amendments
Overview Participants use this document to learn about: • International deliveries, how to process using the International Message Hub (IMHub) • JASDEC Link Service • Euroclear France Link Service • SEB Link Service • CAVALI Link Service. To view forms indicated in this manual, access CDS Forms Online on the CDS Web site (www.cds.ca). **Assumptions** This manual is written with the following assumptions: • Participants have signed the Application for Participation in CDS's services. • The terminology used in the manual is standard in the industry. • All dollar amounts are in Canadian funds, unless stated otherwise. **Notice of implementation of procedures** The predecessor service to CDSX was the Debt Clearing Service (or "DCS"). Any references to DCS in the CDSX system or related documents, including data, reports, screens, forms, procedures or user guides, shall be deemed to be references to CDSX. **Legal precedence** The reader is advised that this procedure or user guide is one of the legal documents governing a participant's use of CDS's services. In the event of any conflict between: i) the Participant Agreement and the Rules and ii) the procedures or user guides, the Participant Agreement and the Rules shall have precedence and govern. **Comments and suggestions** Send any comments and suggestions for this manual to CDS Customer Service.	**Overview** Participants use this document to learn about: • International deliveries, how to process using the International Message Hub (IMHub) • JASDEC Link Service • Euroclear France Link Service • SEB Link Service • CAVALI Link Service. To view forms indicated in this manual, access CDS Forms Online on the CDS Web site (www.cds.ca). **Assumptions** This manual is written with the following assumptions: • Participants have signed the Application for Participation in CDS's services. • The terminology used in the manual is standard in the industry. • All dollar amounts are in Canadian funds, unless stated otherwise. **Notice of implementation of procedures** The predecessor service to CDSX was the Debt Clearing Service (or "DCS"). Any references to DCS in the CDSX system or related documents, including data, reports, screens, forms, procedures or user guides, shall be deemed to be references to CDSX. **Legal precedence** The reader is advised that this procedure or user guide is one of the legal documents governing a participant's use of CDS's services. In the event of any conflict between: i) the Participant Agreement and the Rules and ii) the procedures or user guides, the Participant Agreement and the Rules shall have precedence and govern. **Comments and suggestions** Send any comments and suggestions for this manual to CDS Customer Service.

Text of CDS Participant Procedures marked to reflect proposed amendments	Text of CDS Participant Procedures reflecting the adoption of proposed amendments
CHAPTER 5 **CAVALI Link Service** The CAVALI Link Service is a unilateral, free of payment (FOP) custody link established by CDS with the Peruvian central securities depository, CAVALI. The link facilitates book-based movements of eligible Canadian securities between the two depositories within CDSX. The international delivery results in a trade between a participant's CDS CUID and the CAVALI CUID. **Security eligibility** To make securities eligible for the CAVALI Link Service, contact CDS Customer Service. For more information on whether a security is eligible for the CAVALI Link Service, refer to *CDSX Procedures and User Guide*. **Movements between CDS and CAVALI** Movements are processed in CDSX in the same manner as domestic non-exchange trades. For more information on domestic non-exchange trades, refer to *Trade and Settlement Procedures.* **CAVALI holiday processing** Transactions at CAVALI are subject to processing according to CAVALI's business days and regular hours of operation. Instructions sent to CAVALI on a Peruvian holiday or after their regular hours of operation are not processed until the following business day. If CDS receives instructions from CAVALI to settle a transaction on a Canadian holiday, CDS completes the transaction on the next Canadian business day.	**CHAPTER 5** **CAVALI Link Service** The CAVALI Link Service is a unilateral, free of payment (FOP) custody link established by CDS with the Peruvian central securities depository, CAVALI. The link facilitates book-based movements of eligible Canadian securities between the two depositories within CDSX. The international delivery results in a trade between a participant's CDS CUID and the CAVALI CUID. **Security eligibility** To make securities eligible for the CAVALI Link Service, contact CDS Customer Service. For more information on whether a security is eligible for the CAVALI Link Service, refer to *CDSX Procedures and User Guide*. **Movements between CDS and CAVALI** Movements are processed in CDSX in the same manner as domestic non-exchange trades. For more information on domestic non- exchange trades, refer to *Trade and Settlement Procedures.* **CAVALI holiday processing** Transactions at CAVALI are subject to processing according to CAVALI's business days and regular hours of operation. Instructions sent to CAVALI on a Peruvian holiday or after their regular hours of operation are not processed until the following business day. If CDS receives instructions from CAVALI to settle a transaction on a Canadian holiday, CDS completes the transaction on the next Canadian business day.

13.1.8 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures – Remove $500,000 Free Funds Movement Edit

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

REMOVE $500,000 FREE FUNDS MOVEMENT EDIT

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE AMENDMENTS

Background

The Risk Advisory Committee ("RAC"), a committee comprised of Participants' representatives, self-regulatory organizations' representatives, CDS representatives, and Regulator observers, requested that the restrictions on cash movements (limited to $500,000) and the tracking of reported transactions for "inappropriate" value be removed, and that the ACV and funds edits be correctly recognized as the means of controlling the collateralization and magnitude of payment risk in CDSX.

The proposed changes required amendments to the CDS Participant Rule 7.2.5. Such amendments were approved by the CDS Board of Directos on June 17, 2008 and have been published for comments.

The Procedures marked for the amendments may be accessed at the CDS website at:

http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open

Description of Proposed Amendments

The following procedures will be impacted by this initiative:

Trade and Settlement Procedures:

- Chapter 4 Non-Exchange Trades, Section 4.3

CDSX Procedures and User Guide:

- Chapter 1 Introduction to CDSX, Section 1.9

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are consequential amendments intended to implement a material rule that has been published for comment pursuant to the rule protocol, and which only contain material aspects already contained in the material rule or disclosed in the notice accompanying the material rule.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépot et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that these amendments will be effective on **September 15, 2008**.

These amendments were reviewed and approved by the CDS Strategic Development Review Committee ("SDRC") on **July 31, 2008**.

D. QUESTIONS

Questions regarding this notice may be directed to:

Eduarda Matos
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3567
Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Managing Director, Legal

Chapter 25

Other Information

25.1 Approvals

25.1.1 SEAMARK Asset Management Ltd. - s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s.13(3)(b).

August 29, 2008

McInnes Cooper
Purdy's Wharf Tower II
1300-1969 Upper Water Street
PO Box 730
Halifax, NS B3J 2V1

Attention: Basia Dzierzanowska

Dear Sirs/Medames:

RE: SEAMARK Asset Management Ltd. (the "Applicant")
Application pursuant to clause 213(3)(b) of the Loan and Trust Corporations Act (Ontario) for approval to act as trustee
Application No. 2008/0500

Further to your application dated July 21, 2008 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of SEAMARK Pooled Balanced Fund, SEAMARK Pooled Canadian Bond Fund, SEAMARK Pooled Canadian Equity Fund, SEAMARK Pooled International Equity Fund, SEAMARK Pooled Money Market Fund, SEAMARK Pooled U.S. Equity Fund, SEAMARK Pooled Balanced (Taxable) Fund, SEAMARK Pooled Canadian Small Cap Fund, SEAMARK Pooled Foreign Equity Fund, SEAMARK Pooled Total Equity (Taxable) Fund and SEAMARK Pooled Total Equity Fund (the "Funds") and such other funds as the Applicant may establish from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the Bank Act (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds and such other funds which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Paulette Kennedy"

"Mary Condon"

25.2 Exemptions

25.2.1 Qwest Energy 2008 Flow-Through Limited Partnership - OSC Rule 41-501 General Prospectus Requirements, s. 15.1

Headnote

Exemption from the requirement to attach a copy of the limited partnership agreement to both the preliminary and final prospectus – Inclusion of the limited partnership agreement in the prospectus of the fund will not provide any additional disclosure to investors that would not already be publicly available on SEDAR – section 15.1 of Ontario Securities Commission Rule 41-501 General Prospectus Requirements and item 27.2 of Form 41-501F1 – Information Required in a Prospectus.

Applicable Legislative Provisions

Ontario Securities Commission Rule 41-501 General Prospectus Requirements, s. 15.1.
Form 41-501F1 Information Required in a Prospectus, Item 27.2.

February 27, 2008

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street
Vancouver, British Columbia
V7X 1T2

Attention: G. Eric Doherty

Dear Sirs/Mesdames:

Re: Qwest Energy 2008 Flow-Through Limited Partnership (the "Partnership")
Exemptive Relief Application under Part 15 of OSC Rule 41-501 General Prospectus Requirements ("Rule 41-501")
Application No. 2008/0083, SEDAR Project No. 1201310

By letter dated January 21, 2008 (the "Application"), Qwest Energy 2008 Flow-Through Limited Partnership (the "Partnership") applied to the Director of the Ontario Securities Commission (the "Director") pursuant to section 15.1 of Rule 41-501 for relief from Item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both its preliminary prospectus and its final prospectus (the "Requested Relief").

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the Requested Relief to be evidenced by the issuance of a receipt for the Partnership's prospectus, subject to the following conditions:

1. the final prospectus of the Partnership will include a summary of all material provisions of the limited partnership agreement; and

2. the final prospectus of the Partnership will advise investors and potential investors of the various means by which they can obtain copies of the limited partnership agreement, which will include:

   a. inspection during normal business hours at the offices of the General Partner;

   b. from SEDAR;

   c. upon written request to the General Partner; and

   d. from the website of the Promoter, Qwest Investment Management Corp.

Yours very truly,

"Vera Nunes"
Assistant Manager, Investment Funds

Index