The Ontario Securities Commission

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

FEBRUARY 20, 2009

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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Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

February 24, 2009 9:00 a.m.	**Global Petroleum Strategies, LLC, Petroleum Unlimited, LLC, Aurora Escrow Services, LLC, John Andrew, Vincent Cataldi, Charlotte Chambers, Carl Dylan, James Eulo, Richard Garcia, Troy Gray, Jim Kaufman, Timothy Kaufman, Chris Harris, Morgan Kimmel, Roger A. Kimmel, Jr., Erik Luna, Mitch Malizio, Adam Mills, Jenna Pelusio, Rosemary Salveggi, Stephen J. Shore and Chris Spinler** s. 127 E. Cole in attendance for Staff Panel: LER/MCH
February 24 - March 11, 2009 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: LER/CSP/ST
February 24, 2009 10:00 a.m.	**Xi Biofuels Inc., Biomaxx Systems Inc., Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels, Ronald Crowe and Vernon Smith** s. 127 M. Vaillancourt in attendance for Staff Panel: WSW/DLK
February 25, 2009 10:00 a.m.	**James Richard Elliott** s. 127 J. Feasby in attendance for Staff Panel: WSW/DLK

March 3, 2009 2:30 p.m.	**Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York** s. 127 S. Horgan in attendance for Staff Panel: TBA
March 3, 2009 3:30 p.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
March 4-13; March 30-April 9, 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: JEAT/DLK/PLK
March 5, 2009 10:00 a.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: TBA
March 12, 2009 10:00 a.m.	**Hahn Investment Stewards & Co. Inc.** s. 21.7 Y. Chisholm in attendance for Staff Panel: ST/MCH
March 16, 2009 10:00 a.m.	**Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork** s. 127 S. Kushneryk in attendance for Staff Panel: TBA
March 19, 2009 10:00 a.m.	**Berkshire Capital Limited, GP Berkshire Capital Limited, Panama Opportunity Fund and Ernest Anderson** s. 127 E. Cole in attendance for Staff Panel: TBA
March 20, 2009 10:00 a.m.	**Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan** s. 127 H. Craig in attendance for Staff Panel: TBA
March 20, 2009 10:00 a.m.	**Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance** s. 127 J. Feasby in attendance for Staff Panel: LER
March 23-April 3, 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

March 23-27, 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: PJL/KJK/ST
March 24, 2009 11:00 a.m.	**Rajeev Thakur** s. 127 M. Britton 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 13-17, 2009 10:00 a.m.	**Matthew Scott Sinclair** s. 127 P. Foy in attendance for Staff Panel: TBA
April 20-27, 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
April 20-May 1, 2009 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 and 127(1) C. Price in attendance for Staff Panel: JEAT/DLK/MCH
April 28, 2009 2:30 p.m.	**Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney**
April 29-30, 2009 10:00 a.m.	s. 127 J. Superina in attendance for Staff Panel: PJL/ST/DLK
May 4-29, 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
May 7-15, 2009 10:00 a.m.	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
May 12, 2009 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: JEAT/ST

May 25 - June 2, 2009 10:00 a.m.	**Global Partners Capital, Asia Pacific Energy Inc., 1666475 Ontario Inc. operating as "Asian Pacific Energy", Alex Pidgeon, Kit Ching Pan also known as Christine Pan, Hau Wai Cheung, also known as Peter Cheung, Tony Cheung, Mike Davidson, or Peter McDonald, Gurdip Singh Gahunia also known as Michael Gahunia or Shawn Miller, Basis Marcellinius Toussaint also known as Peter Beckford, and Rafique Jiwani also known as Ralph Jay** s. 127 M. Boswell in attendance for Staff Panel: TBA
June 1-3, 2009 10:00 a.m.	**Robert Kasner** s. 127 H. Craig in attendance for Staff Panel: TBA
June 4, 2009 10:00 a.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/PLK
June 4, 2009 11:00 a.m.	**Abel Da Silva** s. 127 M. Boswell in attendance for Staff Panel: TBA
June 10, 2009 10:00 a.m.	**Global Energy Group, Ltd. and New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: TBA
August 10, 2009 10:00 a.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: TBA
September 7-11, 2009; and September 30-October 23, 2009 10:00a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 M. Britton in attendance for Staff Panel: TBA
September 21-25, 2009 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 S. Horgan in attendance for Staff Panel: TBA
November 16-December 11, 2009 10:00 a.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 and 127.1 M. Britton in attendance for Staff Panel: TBA
January 11, 2010 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA

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 **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 **Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s. 127 P. Foy in attendance for Staff Panel: WSW/DLK/MCH
		TBA **Irwin Boock, Stanton De Freitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants, Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127(1) and (5) P. Foy in attendance for Staff Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

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

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

Euston Capital Corporation and George Schwartz

Al-Tar Energy Corp., Alberta Energy Corp., Eric O'Brien, Bill Daniels, Bill Jakes, John Andrews, Julian Sylvester, Michael N. Whale, James S. Lushington, Ian W. Small, Tim Burton and Jim Hennesy

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

1.4 Notices from the Office of the Secretary

1.4.1 Biovail Corporation et al.

FOR IMMEDIATE RELEASE
February 12, 2009

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

TORONTO – Following a hearing held today, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Ontario Securities Commission and Brian H. Crombie.

A copy of the Order and Settlement Agreement are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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1.4.2 Hollinger Inc. et al.

FOR IMMEDIATE RELEASE
February 12, 2009

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

AND

IN THE MATTER OF
HOLLINGER INC., CONRAD M. BLACK,
F. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON

TORONTO – The Commission today issued a consent order adjourning the hearing currently scheduled for February 16, 2009 to May 21, 2009, at 9:30 a.m., for the purpose of addressing the scheduling of this proceeding.

A copy of the Order dated February 12, 2009 is available at **www.osc.gov.on.ca**.

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1.4.3 Rodney International et al.

FOR IMMEDIATE RELEASE
February 13, 2009

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 – Following the sanctions hearing held on February 11, 2009, the Commission issued an Order in the above named matter.

A copy of the Order dated February 11, 2009 is available at **www.osc.gov.on.ca**.

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1.4.4 Lyndz Pharmaceuticals Inc. et al.

FOR IMMEDIATE RELEASE
February 13, 2009

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

AND

IN THE MATTER OF
LYNDZ PHARMACEUTICALS INC.,
LYNDZ PHARMA LTD., JAMES MARKETING LTD.,
MICHAEL EATCH AND RICKEY MCKENZIE

TORONTO – The Commission issued an Order extending the Temporary Order to April 22, 2009 in the above named matter.

This matter is set to return before the Commission on April 21, 2009 at 9:00 a.m.

A copy of the Order dated February 13, 2009 is available at **www.osc.gov.on.ca**.

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1.4.5 Biovail Corporation et al.

FOR IMMEDIATE RELEASE
February 17, 2009

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

TORONTO – The Commission issued an Order today which provides that the hearing in the above matter is adjourned to commence on Wednesday, March 4, 2009 at 10:00 a.m.

A copy of the Order dated February 17, 2009 is available at **www.osc.gov.on.ca**.

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1.4.6 Goldpoint Resources Corporation et al.

FOR IMMEDIATE RELEASE
February 17, 2009

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

AND

IN THE MATTER OF
GOLDPOINT RESOURCES CORPORATION,
PASQUALINO NOVIELLI also known as
Lee or Lino Novielli, BRIAN PATRICK MOLONEY
also known as Brian Caldwell, and
ZAIDA PIMENTEL also known as Zaida Novielli

TORONTO – The Commission issued an order in the above matter which provides that the Temporary Order is extended against each of Goldpoint, Novielli, and Moloney until March 24, 2009. The hearing in this matter is adjourned to March 23, 2009 at 9:00 a.m.

A copy of the Order dated February 17, 2009 is available at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Middlefield Fund Management Limited and Middlefield Resource Class

Headnote

Passport System for Exemptive Relief Applications – exemption from National Instrument 81-102 Mutual Funds to allow additional time to reduce proportion of net assets comprising of illiquid assets to 15% or less, subject to certain conditions and requirements.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 2.4(2).

February 10, 2009

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
MIDDLEFIELD FUND MANAGEMENT LIMITED
(The "Applicant")

AND

IN THE MATTER OF
MIDDLEFIELD RESOURCE CLASS
("Resource Class")
(the "Filers")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for an exemption from section 2.4(2) of National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**") to permit Resource Class until March 2, 2009 to reduce the percentage of its net assets made up of illiquid assets to 15% or less (the "**Exemption Sought**").

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

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

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

Interpretation

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

Representations

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

The Applicant

1. The Applicant is a corporation organized under the *Business Corporations Act* (Ontario). The head office of the Applicant is located at 1 First Canadian Place, 58th Floor, P.O. Box 192, Toronto, Ontario, M5X 1A6.

2. The Applicant is the manager of the Resource Class.

The Resource Class

3. The Resource Class is a class of shares of Middlefield Mutual Funds Limited, a mutual fund corporation established under the *Business Corporations Act* (Ontario).

4. The fundamental objective of the Resource Class is to provide investors long-term growth of capital. The Resource Class invests in equity and equity-related securities primarily of Canadian companies participating in the natural resources, commodity and energy industries as well as suppliers of those industries, including assets that are "illiquid assets" as defined in NI 81-102.

5. The Resource Class is a reporting issuer in each of the provinces and territories of Canada pursuant to a simplified prospectus filed on May

26, 2008 in each of the provinces and territories of Canada.

6. The Resource Class serves primarily as a rollover vehicle for flow-through limited partnerships that the Applicant manages. Approximately 98% of the Resource Class's investors obtained their shares of the Resource Class as a result of investing in the Applicant's flow-through limited partnerships.

7. The Filers do not anticipate receiving any further illiquid securities in 2009 since there are no planned rollovers of flow-through limited partnerships that the Applicant manages.

8. On August 1, 2008, the percentage of net assets of the Resource Class exceeded the 15% limit of illiquid assets prescribed by section 2.4(2) of NI 81-102.

9. Pursuant to section 2.4(2) of NI 81-102, the Resource Class had until October 30, 2008 to reduce the percentage of net assets made up of illiquid assets to 15% or less. Since August 1, 2008, the Resource Class has been actively trying to reduce its illiquid assets. The Resource Class has been unable to obtain a fair price for its illiquid investments. Accordingly, the Resource Class was unable to reduce the percentage of illiquid assets to 15% or less as it would not have been in the best interest of shareholders of the Resource Class to sell these illiquid assets at a significant discount to their fair values.

10. The Applicant miscalculated the date by which the Resource Class was required to reduce its illiquid assets below 15% and, consequently, did not file this application until December 3, 2008. The Applicant has implemented measures to ensure it does not miscalculate the date by which illiquid assets must be reduced below 15% in the future.

11. The Resource Class presently holds illiquid assets amounting to approximately 17% of its net assets as at January 15, 2009.

12. The Exemption Sought is necessary primarily as a result of the success of the investment made by the Resource Class in one issuer, Value Creation Inc. This investment represents approximately 11% of the Resource Class's net asset value as at January 15, 2009.

13. The Applicant is actively pursuing opportunities to reduce its holdings of illiquid assets.

14. Other than section 2.4(2) of NI 81-102, the Resource Class is not in default of any of the requirements of the securities legislation in any of the provinces or territories of Canada.

15. The Resource Class issued a press release dated December 2, 2008 disclosing that the Resource Class had exceeded the 15% restriction and had filed the application for the Exemption Sought.

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 so long as the Resource Class does not acquire any more illiquid assets.

"Vera Nunes"
Assistant Manager, Investment Funds

2.1.2 Osisko Mining Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 43-101 Standards of Disclosure for Mineral Projects – National Instrument 44-101 Short Form Prospectus Distributions – An issuer wants to disclose material technical and scientific information in a preliminary short form prospectus without the required technical report at the time of filing of the preliminary short form prospectus – The required technical report will be filed prior to the filing of the final short form prospectus – The filer has no reason to believe that the information in the technical report will be materially different from the information in the preliminary short form prospectus – The filer will disclose the terms of this decision in the preliminary short form prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.
National Instrument 43-101 Standards of Disclosure for Mineral Projects, s. 4.2(1)(b).
National Instrument 44-101 Short Form Prospectus Distributions, s. 4.1(a)(v).

TRANSLATION

February 6, 2009

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the "Jurisdictions")

AND

IN THE MATTER OF
THE PASSPORT SYSTEM

AND

IN THE MATTER OF
OSISKO MINING CORPORATION

DECISION

WHEREAS the *Autorité des marchés financiers* (the "**AMF**") as principal regulator pursuant to National Instrument 11-102 *Passport System* (Regulation 11-102 respecting Passport System in Québec) ("**11-102**") and the Ontario Securities Commission (the "**Decision Maker**" and collectively the "**Decision Makers**") have received an application (the "**Application**") from Osisko Mining Corporation ("**Osisko**") for a decision under Section 8.1 of National Instrument 44-101 *Short Form Prospectus* (Regulation 44-101 respecting Short Form Prospectus in Québec) ("**44-101**") for an exemption from paragraph 4.1 a) v) of 44-101 and under Section 9.1 of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (Regulation 43-101 respecting Standards of Disclosure for Mineral Projects in Québec) ("**43-101**") for an exemption from paragraph 4.2 1) (b) of 43-101, in connection with a short form prospectus to be filed by Osisko (the "**Offering**");

AND WHEREAS Osisko represented to the Decision Makers that:

1. Osisko was incorporated pursuant to the Canada Business Corporations Act on February 18, 1982 under the name "Ormico Exploration Ltée". Osisko amended its articles on May 15, 2008, to change its corporate name to "Osisko Mining Corporation".

2. Osisko's head office is located at 1100 De la Gauchetière Street West, Suite 300, Montréal, Québec, H3B 2S2.

3. Osisko is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec.

4. The AMF is the principal regulator for Osisko under 11-102.

5. Osisko's common shares are trading on the Toronto Stock Exchange.

6. To Osisko's knowledge, it is not in default of the securities legislation of the reporting jurisdictions.

7. Osisko is engaged in the business of acquiring, exploring and developing mineral properties, primarily those containing gold and associated precious metals. Osisko's operations, development projects and exploration activities are mostly concentrated in its 100%-owned Canadian Malartic project in the Abitibi Gold Belt, immediately south of the town of Malartic and approximately 25 kilometers west of the City of Val-d'Or, Québec.

8. On November 25, 2008, Osisko announced the results of a feasibility study (the "**Feasibility Study**") for the Canadian Malartic Deposit. A technical report which incorporates the Feasibility Study was filed on SEDAR on December 12, 2008.

9. The Feasibility Study confirmed 6,283,000 ounces of proven and probable gold reserves on the Canadian Malartic Deposit and estimated at US$789,000,000, the capital expenditures ("**CAPEX**") required to bring the project into production.

10. On February 4, 2009, Osisko entered into an enforceable agreement with a syndicate of underwriters, pursuant to which they agreed to purchase its securities, the whole pursuant to Part 7 of 44-101.

11. Osisko intends to file a preliminary short form prospectus (the "**Preliminary Prospectus**") and

afterwards a final short form prospectus (the "**Final Prospectus**") with the Decision Makers and with the securities commissions of other Canadian provinces, to qualify such securities for distribution.

12. Osisko expects to raise more than $300,000,000 through the Offering.

13. Osisko intends to use the proceeds of the Offering to finance a portion of the CAPEX and for general corporate purposes.

14. On January 26, 2009, Osisko issued a press release announcing an estimate of 2,000,000 ounces of gold as an inferred mineral resources for the South Barnat Deposit located contiguous to the Canadian Malartic Deposit (the "**Press Release**").

15. The technical information about the South Barnat Deposit was fully disclosed in the Press Release.

16. Osisko does not intend to spend any of the funds to be raised through the Offering on the South Barnat Deposit.

17. Osisko intends to do a $3,000,000 work program, consisting of drilling, on the South Barnat Deposit, to upgrade the inferred mineral resources to indicated and measured resources with current available funds .

18. Osisko did not file a technical report on its South Barnat Deposit (the "**Technical Report**") in connection with the Press Release, having 45 days to do so, pursuant to paragraph 4.2 5) (a) of 43-101.

19. The independent qualified person author of the Technical Report will not be in a position to complete the Technical Report prior to the date when Osisko intends to file the Preliminary Prospectus.

20. The technical information disclosed in the Press Release was reviewed by the independent qualified person to be responsible for the Technical Report.

21. Osisko's has no reason to believe that the information in the Technical Report will be materially different from the information in the Preliminary Prospectus.

22. A draft of the Technical Report will be submitted to the AMF as soon as available, but before the filing of the Final Prospectus.

23. The Technical Report will be filed on SEDAR on or prior to the filing of the Final Prospectus.

24. Osisko will include in the Preliminary Prospectus the following cautionary language: "The technical disclosure in this Preliminary Prospectus relating to the South Barnat Deposit has not been supported by a technical report prepared in accordance with 43-101. The Technical Report is being prepared by a qualified person as defined under 43-101 and it will be available on SEDAR (www.sedar.com) on or before the filing of the Final Prospectus. Readers are advised to refer to that technical report when it is filed." (the "**Cautionary Disclosure**").

25. Osisko will disclose the terms of this decision in the Preliminary Prospectus.

AND WHEREAS each of the Decision Makers is satisfied that the provisions contained in 11-102, 44-101 and 43-101 provide the Decisions Makers with the jurisdiction to grant this exemption.

THE DECISION MAKERS exempt Osisko from the requirements of paragraph 4.1 a) v) of 44-101 and of paragraph 4.2 1) (b) of 43-101 to file the Technical Report with its Preliminary Prospectus, such relief being conditional upon: (i) the disclosure of the terms of this decision in the Preliminary Prospectus; (ii) the inclusion of the Cautionary Disclosure in the Preliminary Prospectus; and (iii) the filing of the Technical Report with the Final Prospectus.

"Josée Deslauriers"
Directrice du financement des sociétés
Autorité des marchés financiers

2.1.3 Franklin Templeton Investments Corp. et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from requirements contained in paragraphs 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Mutual Funds – Top Funds permitted to invest up to 10% of net assets, in aggregate, in securities of mutual funds governed by the laws of Luxembourg that are sub-funds of an affiliate and managed by the same manager – Relief subject to certain conditions – Top Funds are required to divest if laws applicable to Luxembourg mutual funds cease to be materially consistent with Part 2 of NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.5(2)(a), 2.5(2)(c), 19.1.

February 13, 2009

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

AND

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

AND

IN THE MATTER OF
FRANKLIN TEMPLETON INVESTMENTS CORP. ("FTIC" or the "Manager"), QUOTENTIAL BALANCED INCOME PORTFOLIO, QUOTENTIAL BALANCED INCOME CORPORATE CLASS PORTFOLIO, QUOTENTIAL BALANCED GROWTH PORTFOLIO, QUOTENTIAL BALANCED GROWTH CORPORATE CLASS PORTFOLIO, QUOTENTIAL GROWTH PORTFOLIO, QUOTENTIAL GROWTH CORPORATE CLASS PORTFOLIO, QUOTENTIAL GLOBAL BALANCED PORTFOLIO, QUOTENTIAL GLOBAL BALANCED CORPORATE CLASS PORTFOLIO, QUOTENTIAL GLOBAL GROWTH PORTFOLIO, QUOTENTIAL GLOBAL GROWTH CORPORATE CLASS PORTFOLIO, QUOTENTIAL MAXIMUM GROWTH PORTFOLIO, QUOTENTIAL MAXIMUM GROWTH CORPORATE CLASS PORTFOLIO AND WELLINGTON WEST FRANKLIN TEMPLETON BALANCED RETIREMENT INCOME FUND (the "Existing Top Funds")

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the "Application") from FTIC and the Existing Top Funds (the "Filers") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") exempting the Existing Top Funds and other top funds managed by FTIC after the date of this Decision that invest a portion of their assets in global/international equities by investing in underlying funds with a global/international equity mandate (which together with the Existing Top Funds are referred to collectively as the "Top Funds") from

(i) the prohibition contained in paragraph 2.5(2)(a) of National Instrument 81-102 *Mutual Funds* (NI 81-102) against a mutual fund investing in another mutual fund that is not subject to NI 81-102 and National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101); and

(ii) the prohibition contained in paragraph 2.5(2)(c) of NI 81-102 against a mutual fund investing in another mutual fund's securities where those securities are not qualified for distribution in the local jurisdiction (together with paragraph (i) above, the "Exemption Sought")

to enable each Top Fund to invest up to 10 per cent of its net assets, taken at market value at the time of the investment, in aggregate, in Franklin Templeton Investment Funds Templeton Latin America Fund (the "Latin America Fund") and Franklin Templeton Investment Funds Templeton Asian Growth Fund (the "Asian Growth Fund") and other similar FTIF (as defined below) sub-funds (which together with the Latin America Fund and the Asian Growth Fund are referred to collectively as the "Underlying Funds").

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

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

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

Interpretation

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

"Franklin Templeton Investments" means Franklin Resources, Inc. and its subsidiaries.

"FTIF" means Franklin Templeton Investment Funds, an umbrella SICAV (as defined below) with UCITS status (as defined below) under the laws of Luxembourg.

"SICAV" means Société d'Investissment à Capital Variable, an open-end investment company, governed by the laws of Luxembourg.

"UCITS" means *Undertakings for Collective Investment in Transferable Securities* and refers to the investment funds authorized by the European Union as investment funds suitable to be distributed in more than one country of Europe.

Representations

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

1. FTIC is a corporation amalgamated under the laws of Ontario, having its head office in Toronto, Ontario. FTIC is registered as an advisor in the categories of investment counsel and/or portfolio manager in Ontario as well as British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Yukon and as a mutual fund dealer in Ontario and Alberta.

2. FTIC is a wholly-owned subsidiary of Templeton Worldwide, Inc., a Delaware corporation, which is a direct wholly-owned subsidiary of Franklin Resources, Inc. ("FRI"). FRI is a global investment management organization operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management solutions for institutional and retail clients managed by its Franklin, Templeton, Mutual Series, Bissett and Fiduciary Trust investment teams. In addition to Canada, FRI and its subsidiaries maintain offices in 28 other countries.

3. FTIC is the manager of the Existing Top Funds, each complying with NI 81-102 and having a simplified prospectus and annual information form prepared in accordance with NI 81-101.

4. FTIC and the Top Funds are not in default of securities legislation in any Canadian jurisdiction.

5. FTIF is a wholly-owned subsidiary of Franklin Templeton Luxembourg S.A., a Luxembourg corporation, which is an indirect wholly-owned subsidiary of FRI. As of December 31, 2008, FTIF managed approximately USD 40 billion. FTIF includes the Underlying Funds. As of December 31, 2008, the Asian Growth Fund and the Latin America Fund had USD 2.84 billion and USD 1.18 billion in assets under management, respectively.

6. The Underlying Funds, are distributed in several European countries, pursuant to the European passport implemented by the European Union regulations of collective investment schemes, known as the UCITS Directives (*Undertakings for Collective Investment in Transferable Securities*) which simplify the cross-border registration/ distribution of UCITS in more than one country provided the UCITS Directives are followed. As SICAVs, organized under Part I of the Luxembourg law on undertakings for collective investment vehicles, the Underlying Funds qualify as UCITS.

7. The Top Funds use or will use a "fund on fund" structure in allocating their assets among underlying funds managed by the Manager in order to diversify by asset class, investment style, geography, sector weighting and market capitalization with the goal of matching a variety of investment goals and risk tolerance levels.

8. The investment objective of Quotential Balanced Income Portfolio and Quotential Balanced Income Corporate Class Portfolio is a balance of current income and long-term capital appreciation by investing in a diversified mix of equity and income mutual funds, with a bias towards income.

9. The investment objective of Quotential Balanced Growth Portfolio, Quotential Balanced Growth Corporate Class Portfolio and Wellington West Franklin Templeton Balanced Retirement Income Fund is a balance of current income and long-term capital appreciation by investing in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation.

10. The investment objective of Quotential Growth Portfolio and Quotential Growth Corporate Class Portfolio is long-term capital appreciation by investing primarily in a diversified mix of equity mutual funds, with additional stability derived from investing in income mutual funds.

11. The investment objective of Quotential Global Balanced Portfolio and Quotential Global Balanced Corporate Class Portfolio is a balance of current and long-term capital appreciation by investing primarily in a diversified mix of equity and income mutual funds which are predominantly global in nature.

12. The investment objective of Quotential Global Growth Portfolio and Quotential Global Growth Corporate Class Portfolio is long-term capital appreciation by investing primarily in a diversified mix of global equity mutual funds.

13. The investment objective of Quotential Maximum Growth Portfolio and Quotential Maximum Growth Corporate Class Portfolio is long-term capital appreciation by investing primarily in a diversified mix of equity mutual funds.

14. The investment strategies of the Top Funds stipulate or will stipulate that each may invest a portion of its assets in global/international equities, which the Top Funds do or will do by investing in

underlying funds with a global/international equity mandate. The portion of assets that each Existing Top Fund may invest in global/international equities varies from a range of 3-11% to a range of 90-100%.

15. Section 2.5 of NI 81-102 would permit the Top Funds to invest in the Underlying Funds but for the fact that the Underlying Funds are non-Canadian funds that are neither subject to Canadian laws nor distributed in Canada under a simplified prospectus.

16. The Underlying Funds are sub-funds of FTIF, an umbrella SICAV with UCITS status under the laws of Luxembourg. A FTIF prospectus including the Underlying Funds, has been filed and approved by the Luxembourg financial sector regulator, Commission de Surveillance du Secteur Financier, which contains disclosure regarding the Underlying Funds. The Underlying Funds are subject to investment restrictions and practices that are substantially similar to those that govern the Top Funds. The Underlying Funds are conventional mutual funds and would not be considered hedge funds. None of the Underlying Funds may invest more than 10% of its net assets in other mutual funds.

17. The investment objective of the Latin America Fund is capital appreciation, which under normal market conditions, it seeks to achieve by investing primarily in equity securities and as an ancillary matter in debt securities of issuers incorporated or having their principal business activities in the Latin American region. The Latin America Fund may also invest the balance of the Fund's assets in equity securities and debt obligations of companies and government entities of countries other than the above region.

18. The investment objective of the Asian Growth Fund is capital appreciation, which it seeks to achieve through a policy of investing primarily in equity securities of entities, which are incorporated, or have their area of primary activity, in the Asia Region. The Fund may also invest in equity securities, which are listed on recognized exchanges in capital markets of the Asia Region (excluding Australia, New Zealand and Japan).

19. Adding the Underlying Funds to the available investment options for the Top Funds would provide the Top Funds with a better ability to actively manage their investments by providing greater opportunities for diversification according to asset class, investment style, geography, sector weighting and market capitalization. Investing in the Underlying Funds would also allow each Top Fund to better capitalize on global economic trends and respond to market conditions.

20. The Underlying Funds are low-cost mutual funds whose investment objectives and strategies make them suitable investment options for the Top Funds. The Underlying Funds are managed by portfolio managers within the Franklin Templeton Investments organization, and accordingly, the Manager will benefit from understanding their investments and the management styles of the portfolio managers, which understanding will benefit the Top Funds.

21. The Filers believe that it is in the best interests of the Top Funds for investments to be made in the Underlying Funds in order to obtain exposure to geographic regions, sectors and/or investment styles not otherwise available to the Top Funds in the FTIC fund family.

22. With respect to the Latin America Fund and the Asian Growth Fund in particular, launching Canadian mutual funds focused on the Latin American and Asian regions in which the Top Funds could invest is a less desirable option due to the considerable costs and time involved in launching mutual funds. Moreover, as the mandate of the Top Funds is to invest in underlying mutual funds, investing directly in separate securities in the Latin American and Asian regions is not a viable option.

23. The Top Funds' investment in the Underlying Funds is not for the purposes of distributing the Underlying Funds to the Canadian public. The investments by the Top Funds in the Underlying Funds are proposed to allow the Top Funds to better achieve their investment objectives by investing, to a limited extent, in unique, suitable and professionally managed lower-cost mutual funds, where the investment style and approach are known to the manager of the Top Funds.

24. The Top Funds would otherwise comply fully with section 2.5 of NI 81-102 in investing in the Underlying Funds and provide all disclosure mandated for mutual funds investing in other mutual 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 provided that:

(A) The Underlying Funds qualify as UCITS and are distributed in accordance with the UCITS Directives, which subject the Underlying Funds to investment restrictions and practices that are substantially similar to those that govern the Top Funds;

(B) The investment of the Top Funds in the Underlying Funds otherwise complies with section 2.5 of NI 81-102 and the Top Funds provide the disclosure contemplated for fund of fund investments in NI 81-101. Specifically, the investment by the Top Funds in the Underlying Funds is disclosed in their simplified prospectus;

(C) A Top Fund will not invest in an Underlying Fund if, immediately after the investment, more than 10 per cent of its net assets, taken at market value at the time of the investment, would consist of investments in Underlying Funds; and

(D) The Top Funds shall not acquire any additional securities of the Underlying Funds and shall dispose of the securities of the Underlying Funds then held in an orderly and prudent manner, after the date that the laws applicable to the Underlying Funds that are at the date of this decision substantially similar to Part 2 of NI 81-102, change to be materially inconsistent with Part 2 of NI 81-102.

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

2.2 Orders

2.2.1 Biovail Corporation et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

ORDER
(Sections 127 and 127.1)

WHEREAS on March 24, 2008 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and related Statement of Allegations (the "Notice of Hearing") against Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie ("Crombie"), John R. Miszuk and Kenneth G. Howling;

AND WHEREAS Crombie has entered a settlement agreement with Staff of the Commission dated February 10, 2009 (the "Settlement Agreement") in relation to the matters set out in the Notice of Hearing;

UPON reviewing the Notice of Hearing and Settlement Agreement, and upon hearing submissions from counsel for Crombie and for Staff of the Commission;

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 is approved.

2. Crombie is reprimanded.

3. Crombie is prohibited from becoming or acting as a director or officer of a reporting issuer for a period of eight (8) years from the date of this Order.

4. Crombie shall cooperate with the Commission and Staff in this matter and shall appear and testify at the hearing in this matter if requested by Staff;

5. Crombie shall pay an administrative penalty of CAN $250,000, to be paid to or for the benefit of third parties designated by the Commission, pursuant to section 3.4(2) of the Act.

6. Crombie shall pay CAN$50,000 in respect of a portion of the costs of the investigation and hearing in relation to this matter.

Dated at Toronto this 12th day of February, 2009

"Wendell S. Wigle"

"Suresh Thakrar"

"Carol S. Perry"

2.2.2 Hollinger Inc. et al.

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

AND

**IN THE MATTER OF
HOLLINGER INC., CONRAD M. BLACK,
F. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON**

ORDER

WHEREAS on March 18, 2005 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations issued by Staff of the Commission ("Staff") with respect to Hollinger Inc. ("Hollinger"), Conrad M. Black ("Black"), F. David Radler ("Radler"), John A. Boultbee ("Boultbee") and Peter Y. Atkinson ("Atkinson") (collectively, the "Respondents");

AND WHEREAS the matter was set down for a hearing to commence on Wednesday, May 18, 2005;

AND WHEREAS the Commission granted a request for adjournment of this proceeding on consent of Staff and the Respondents from Wednesday, May 18, 2005 to Monday, June 27, 2005 in its Order dated May 10, 2005;

AND WHEREAS on June 27, 2005, the Commission granted a further request for adjournment of this proceeding on consent of Staff and the Respondents from Monday, June 27, 2005 to Tuesday, October 11, 2005 in its Order dated June 27, 2005;

AND WHEREAS the Commission held a contested hearing on October 11 and November 16, 2005, to determine the appropriate date for a hearing on the merits of the above matter;

AND WHEREAS on January 24, 2006, the Commission issued its Reasons and Order setting down the matter for a hearing on the merits commencing June 2007, subject to each of the individual respondents agreeing to execute an Undertaking to the Commission to abide by interim terms of a protective nature within 30 days of that Decision;

AND WHEREAS following the Reasons and Order dated January 24, 2006, all the individual respondents provided Undertakings in a form satisfactory to the Commission;

AND WHEREAS on March 30, 2006, the Commission issued an order with attached Undertakings provided by the individual Respondents in a form satisfactory to the Commission, and ordered, among other things, that the hearing on the merits commence on Friday, June 1, 2007 at 9:30 a.m., or as soon thereafter as may be

fixed by the Secretary to the Commission and agreed to by the parties;

AND WHEREAS the individual Respondents further provided to the Commission Amended Undertakings stating that each of the respondents agree to abide by interim terms of a protective nature, as set out more fully in the Amended Undertakings, pending the Commission's final decision of liability and sanctions in the proceeding commenced by the Notice of Hearing;

AND WHEREAS on April 4, 2007, the Commission issued an order with attached Amended Undertakings provided by the individual Respondents in a form satisfactory to the Commission, and ordered that the hearing on the merits be scheduled to take place November 12 to December 14, 2007, and January 7 to February 15, 2008;

AND WHEREAS Black and Boultbee brought motions on the basis of certain grounds enumerated in Notices of Motion dated September 5, 2007 and September 6, 2007, respectively, requesting the following relief;

(i) an order adjourning the hearing of this matter, currently scheduled to take place on November 12 to December 14, 2007 and January 7, to February 15, 2008; and

(ii) an order to attend before the Commission on a date convenient in mid-December 2007, following the scheduled sentencing of the respondents Black and Boultbee in the criminal proceedings brought against them in the United States, for the purpose of obtaining further directions regarding the conduct of these proceedings;

AND WHEREAS on September 11, 2007, the Commission granted a request for adjournment of this proceeding on consent of Staff and the Respondents, and issued an order scheduling a hearing for December 11, 2007 for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS Boultbee requested an adjournment of the hearing on December 11, 2007 to a date in January, 2008, by letter addressed to the Secretary to the Commission dated November 29, 2007, for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS on December 10, 2007, the Commission granted a request for adjournment of this proceeding on consent of Staff and the Respondents, and issued an order scheduling a hearing for January 8, 2008 for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS Black requested an adjournment of the hearing on January 8, 2008 to a date in late March 2008, by letter addressed to the Secretary to the Commission dated December 19, 2007, for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS on January 7, 2008, the Commission granted a request for adjournment of this proceeding on consent of Staff and the Respondents, and issued an order scheduling a hearing for March 28, 2008 for the purpose of addressing the scheduling of this proceeding;

AND WHEREAS Black and Boultbee brought motions requesting an order adjourning the hearing of this matter to a convenient date in late September 2008, on the basis of certain grounds enumerated in Notices of Motion dated March 24 and March 25, 2008 respectively, including grounds related to the pending appeals of Black and Boultbee in the criminal proceedings brought against them in the United States;

AND WHEREAS on March 27, 2008 the Commission granted the requested adjournment and scheduled the hearing for September 26, 2008;

AND WHEREAS Boultbee brought a motion requesting an order adjourning the hearing of this matter to a convenient date in February 2009, on the basis of certain grounds enumerated in Boultbee's Notice of Motion dated September 22, 2008, including grounds related to an intended application for a Writ of Certiorari from the Supreme Court of the United States in respect of the criminal proceedings brought against him in the United States;

AND WHEREAS on September 26, 2008 the Commission granted the requested adjournment and scheduled a hearing for February 16, 2009;

AND WHEREAS Boultbee has brought a motion requesting an order adjourning the hearing of this matter to a convenient date in May 2009, on the basis of certain grounds enumerated in Boultbee's Notice of Motion dated February 2, 2009, including grounds related to the determination of Boultbee's Writ of Certiorari to the Supreme Court of the United States which is not expected to be made prior to May 18, 2009;

AND WHEREAS the Respondents and Staff of the Commission consent to the requested order;

IT IS ORDERED THAT:

(i) The hearing of this matter, currently scheduled for February 16, 2009, is adjourned; and

(ii) The hearing is scheduled for May 21, 2009 at 9:30 a.m., or such other date as may be agreed to by the parties and fixed by the Secretary to the Commission, for the purpose of addressing the scheduling of this proceeding.

DATED at Toronto this 12th day of February, 2009

"Wendell S. Wigle"

"Suresh Thakrar"

2.2.3 Rodney International et al. – s. 127

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

AND

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

**ORDER
Section 127**

WHEREAS on June 5, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to a Statement of Allegations issued by Staff of the Commission on the same day in respect of Rodney International ("Rodney"), Choeun Chhean ("Chhean") and Michael A. Gittens ("Gittens");

AND WHEREAS the Commission conducted a hearing into this matter on September 18, 2008;

AND WHEREAS on October 6, 2008, Staff of the Commission withdrew their allegations against Chhean;

AND WHEREAS the Commission is satisfied that Gittens and Rodney have not complied with Ontario securities law and have not acted in the public interest;

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

IT IS ORDERED THAT:

1. Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by each of the Respondents, Gittens and Rodney, cease for a period of 10 years from the date of this Order;

2. Pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by each of the Respondents, Gittens and Rodney, cease for a period of 10 years from the date of this Order;

3. Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to each of the Respondents, Gittens and Rodney, for a period of 10 years from the date of this Order;

4. Pursuant to clause 7 of subsection 127(1) of the Act, the Respondent, Gittens, resign all positions as a director or officer of any issuer;

5. Pursuant to clause 8 of subsection 127(1) of the Act, the Respondent, Gittens, is prohibited from

becoming or acting as director or officer of any issuer for a period of 10 years from the date of this Order;

6. Pursuant to clause 6 of subsection 127(1) of the Act, the Respondent, Gittens, is reprimanded; and

7. Pursuant to section 127.1 of the Act, the Respondents, Gittens and Rodney shall jointly and severally pay the costs of Staff's investigation and the hearing in this matter in the amount of $2,000 to the Ontario Securities Commission.

Dated at Toronto this 11th day of February, 2009.

"Wendell S. Wigle"

"Suresh Thakrar"

2.2.4 Lyndz Pharmaceuticals Inc. et al. – s. 127(8)

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

AND

IN THE MATTER OF
LYNDZ PHARMACEUTICALS INC.,
LYNDZ PHARMA LTD., JAMES MARKETING LTD.,
MICHAEL EATCH AND RICKEY MCKENZIE

TEMPORARY ORDER
Subsection 127(8)

WHEREAS on December 4, 2008, the Ontario Securities Commission (the "Commission") ordered pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that immediately for a period of 15 days from the date thereof: (a) all trading in securities of Lyndz Pharmaceuticals Inc. shall cease; (b) all trading in securities by the Respondents shall cease; and (c) the exemptions contained in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS on December 8, 2008, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Act accompanied by Staff of the Commission's ("Staff") Statement of Allegations;

AND WHEREAS on December 17, 2008, the Temporary Order was continued to February 13, 2009;

AND WHEREAS on February 13, 2009 a hearing was held before the Commission and was attended by Staff, but none of the respondents;

AND WHEREAS Staff informs us that counsel for Michael Eatch, Rickey McKenzie, Lyndz Pharmaceuticals Inc. and James Marketing Ltd. have consented to the continuation of the Temporary Order;

AND UPON RECEIVING submissions from counsel for Staff;

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

IT IS ORDERED THAT pursuant to subsection 127(8) of the Act, the Temporary Order is continued to April 22, 2009, unless further extended by the Commission; and,

IT IS FURTHER ORDERED THAT this matter is adjourned to April 21, 2009, at 9:00 am.

DATED at Toronto this 13th day of February, 2009.

"Wendell S. Wigle"

"Suresh Thakrar"

2.2.5 Biovail Corporation et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

ORDER
(Sections 127 and 127.1)

WHEREAS on March 24, 2008 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and related Statement of Allegations (the "Notice of Hearing") against Biovail Corporation ("Biovail"), Eugene N. Melnyk ("Melnyk"), Brian H. Crombie ("Crombie"), John R. Miszuk ("Miszuk") and Kenneth G. Howling ("Howling");

AND WHEREAS the Commission has approved settlement agreements reached with Biovail, Miszuk, Howling and Crombie;

AND WHEREAS Staff of the Commission and Melnyk have requested that the hearing on the merits in this matter be adjourned to begin on Wednesday, March 4, 2009;

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

IT IS HEREBY ORDERED that the hearing in this matter be adjourned to commence on Wednesday, March 4, 2009 at 10:00 a.m.

Dated at Toronto this 17th day of February, 2009.

"James E. A. Turner"

2.2.6 Dover Industries Limited – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

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

February 17, 2009

Dover Industries Limited
c/o
Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario
M5X 1B8

Attention: Justin Williams

Dear Sirs/Mesdames:

Re: Dover Industries Limited (the "Applicant") – Application for an order under clause 1(10)(b) of the Securities Act (Ontario) that the Applicant is not a reporting issuer

The Applicant has applied to the Ontario Securities Commission (the "Commission") for an order under clause 1(10)(b) of the Act that the Applicant is not a reporting issuer.

As the Applicant has represented to the Commission that:

1. The outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in Ontario and less than 51 security holders in Canada;

2. No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

3. The Applicant is not in default of any of its obligations under the Act as a reporting issuer; and

4. The Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.2.7 Goldpoint Resources Corporation et al.

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

AND

IN THE MATTER OF
GOLDPOINT RESOURCES CORPORATION,
PASQUALINO NOVIELLI also known as
Lee or Lino Novielli, BRIAN PATRICK MOLONEY
also known as Brian Caldwell, and
ZAIDA PIMENTEL also known as Zaida Novielli

ORDER

WHEREAS on April 30, 2008 the Ontario Securities Commission (the "Commission") issued 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: all trading in securities by Goldpoint Resources Corporation ("Goldpoint") shall cease; all trading in Goldpoint securities shall cease; and, Lino Novielli ("Novielli"), Brian Moloney ("Moloney"), Evanna Tomeli ("Tomeli"), Robert Black ("Black"), Richard Wylie ("Wylie"), and Jack Anderson ("Anderson") cease trading in all securities (the "Temporary Order");

AND WHEREAS on April 30, 2008, 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 May 1, 2008 the Commission issued a Notice of Hearing (the "May Notice of Hearing") to consider, among other things, the extension of the Temporary Order, such hearing to be held on May 14, 2008 at 10 a.m.;

AND WHEREAS the May Notice of Hearing sets out that the hearing is to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Temporary Order until such further time as considered necessary by the Commission;

AND WHEREAS Staff of the Commission ("Staff") served all of the respondents with copies of the Temporary Order, the May Notice of Hearing, Staff's Statement of Allegations and Staff's supporting materials as evidenced by the Affidavits of Service filed with the Commission;

AND WHEREAS a hearing to extend the Temporary Order was held on May 14, 2008 commencing at 10 a.m. and Staff appeared;

AND WHEREAS Tomeli, Black, Wylie, and Anderson did not appear to oppose Staff's request for the extension of the Temporary Order;

AND WHEREAS counsel for Staff advised the panel that counsel for Novielli did not oppose the extension of the Temporary Order;

AND WHEREAS counsel for Staff advised the panel that Moloney did not oppose the extension of the Temporary Order;

AND WHEREAS counsel for Staff advised the panel that counsel for Novielli advised that it was his understanding that Goldpoint would not be opposing Staff's request for an extension of the Temporary Order and would not be attending the hearing;

AND WHEREAS the panel considered the evidence and submissions before it;

AND WHEREAS on May 14, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order be extended to July 19, 2008 and that the hearing be adjourned to July 18, 2008 at 10 a.m.;

AND WHEREAS a hearing to consider extending the Temporary Order was held on July 18, 2008 commencing at 10 a.m. and Staff appeared and made submissions;

AND WHEREAS on July 18, 2008, Staff advised the panel of the Commission that counsel for Moloney did not oppose the extension of the Temporary Order;

AND WHEREAS Staff advised the panel of the Commission that Novielli did not oppose the extension of the Temporary Order as against himself or as against Goldpoint;

AND WHEREAS Staff advised the panel of the Commission that Tomeli, Black, Wylie, and Anderson were sent, via registered mail, a certified copy of the May 14, 2008 Order of the Commission extending the Temporary Order and Staff advised these respondents, by letter, of the July 18, 2008 hearing date to consider further extending the Temporary Order;

AND WHEREAS on July 18, 2008, Tomeli, Black, Wylie, and Anderson did not appear before the panel of the Commission to oppose Staff's request for the extension of the Temporary Order;

AND WHEREAS on July 18, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order be extended to September 17, 2008 and that the hearing be adjourned to September 16, 2008 at 2:30 p.m.;

AND WHEREAS a hearing to consider extending the Temporary Order was held on September 16, 2008 commencing at 2:30 p.m. and Staff appeared and made submissions;

AND WHEREAS on September 16, 2008, Staff advised the panel that Novielli did not oppose the extension of the Temporary Order;

AND WHEREAS on September 16, 2008, Staff advised the panel that Staff had inquired of Moloney as to whether or not he intended to appear at the hearing on September 16, 2008 and oppose the extension of the Temporary Order;

AND WHEREAS Staff advised the panel that Moloney had not responded to Staff's inquiries and Moloney did not attend at the hearing on September 16, 2008;

AND WHEREAS Staff advised the panel that, on July 29, 2008, Goldpoint, Tomeli, Black, Wylie, and Anderson were sent, via registered mail, a certified copy of the July 18, 2008 Order of the Commission extending the Temporary Order and Staff advised these respondents, by letter, of the September 16, 2008 hearing date to consider further extending the Temporary Order;

AND WHEREAS on September 16, 2008, Goldpoint, Tomeli, Black, Wylie, and Anderson did not appear to oppose Staff's request for the extension of the Temporary Order;

AND WHEREAS on September 16, 2008, a panel of the Commission considered the evidence and submissions before it;

AND WHEREAS on September 16, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order be extended to December 1, 2008 and that the hearing be adjourned to November 28, 2008 at 10:00 a.m.;

AND WHEREAS a hearing to consider extending the Temporary Order was held on November 28, 2008 commencing at 10:00 a.m. and Staff appeared and made submissions;

AND WHEREAS Staff filed the Affidavit of Service of Kathleen McMillan, sworn on November 20, 2008, evidencing service of a certified copy of the Order of the Commission dated September 16, 2008 on Novielli, Moloney and Goldpoint;

AND WHEREAS on November 28, 2008, Goldpoint, Novielli, Moloney, Tomeli, Black, Wylie, and Anderson did not appear to oppose Staff's request for the extension of the Temporary Order;

AND WHEREAS on November 28, 2008, a panel of the Commission considered the evidence and submissions before it;

AND WHEREAS on November 28, 2008, a panel of the Commission determined that satisfactory information has not been provided to the Commission by the respondents;

AND WHEREAS on November 28, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order be extended to January 7, 2009 and that the hearing be adjourned to January 6, 2009 at 3:00 p.m.;

AND WHEREAS on December 19, 2008 the Commission issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the Act accompanied by an Amended Statement of Allegations, dated December 18, 2008, filed by Staff with respect to Goldpoint Resources Corporation, Pasqualino Novielli, also known as Lee or Lino Novielli, Brian Patrick Moloney, also known as Brian Caldwell, and Zaida Pimentel, also known as Zaida Novielli ("Pimentel");

AND WHEREAS the matter was set down for a hearing to commence on Tuesday, January 6, 2009 at 3 p.m.;

AND WHEREAS Staff filed the affidavit of service of Kathleen McMillan, sworn on January 5, 2009, evidencing service of: a certified copy of the Order of the Commission dated November 28, 2008; the Notice of Hearing dated December 19, 2008; and, the Amended Statement of Allegations of Staff dated December 18, 2008 on Goldpoint, Novielli, Moloney and Pimentel;

AND WHEREAS Staff attended at the hearing on January 6, 2009 and made submissions, including advising the Panel that the disclosure with respect to this matter would be available to be picked up by the respondents by January 14th, 2009;

AND WHEREAS Novielli and Pimentel attended at the hearing on January 6th, 2009 and made submissions to the Panel;

AND WHEREAS Goldpoint and Moloney did not attend at the hearing on January 6th, 2009;

AND WHEREAS on January 6th, 2009, the Panel considered the evidence and submissions before it;

AND WHEREAS on January 6, 2009, Staff confirmed to the Panel that Tomeli, Black, Wylie, and Anderson were no longer named as respondents on the Amended Statement of Allegations of Staff dated December 18, 2008. Staff also advised the Panel that Staff would not be seeking to extend the Temporary Order as against Tomeli, Black, Wylie, and Anderson;

AND WHEREAS on January 6th, 2009, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order be extended as against Goldpoint, Novielli, and Moloney to February 18th, 2009 and that the hearing be adjourned to February 17th, 2009 at 9 a.m.;

AND WHEREAS Staff filed the affidavit of service of Kathleen McMillan, sworn on February 5th, 2009, evidencing service of: a certified copy of the Order of the

Commission dated January 6th, 2009 Goldpoint, Novielli, and Pimentel;

AND WHEREAS Staff filed the affidavit of service of Wayne Vanderlaan, sworn on February 2nd, 2009, evidencing service of, *inter alia*, a certified copy of the Order of the Commission dated January 6th, 2009 on Moloney;

AND WHEREAS Staff attended at the hearing on February 17th, 2009 and made submissions;

AND WHEREAS Novielli and Pimentel attended at the hearing on February 17th, 2009 and made submissions to the Panel;

AND WHEREAS Goldpoint and Moloney did not attend at the hearing on February 17th, 2009;

AND WHEREAS on February 17th, 2009, a panel of the Commission considered the evidence and submissions before it;

AND WHEREAS on February 17th, 2009, a panel of the Commission determined that satisfactory information has not been provided to the Commission by the respondents;

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

IT IS HEREBY ORDERED, pursuant to subsection 127(8) of the Act, that the Temporary Order is extended against each of Goldpoint, Novielli, and Moloney until March 24th, 2009;

IT IS FURTHER ORDERED that the hearing in this matter is adjourned to March 23rd, 2009 at 9 a.m.; and

IT IS FURTHER ORDERED that the passport number identified at Tab C of the affidavit of service of Wayne Vanderlaan, sworn on February 2nd, 2009, be redacted.

DATED at Toronto this 17th day of February, 2009.

“Wendell S. Wigle”

“Margot C. Howard”

2.2.8 Commonfund Asset Management Company, Inc. and Commonfund Capital, Inc. – ss. 3.1(1), 80 of the CFA

Headnote

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 2583.

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

AND

IN THE MATTER OF
COMMONFUND ASSET MANAGEMENT
COMPANY, INC. AND
COMMONFUND CAPITAL, INC.

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 Commonfund Asset Management Company, Inc. (**CAMC Inc.**) and Commonfund Capital Inc. (**CC Inc.**) (collectively, the **Commonfund Entities**), on their own behalf, and on behalf of Commonfund Affiliates (as defined below) that file an Identifying Notice (as defined below) to become a Named Applicant (as defined below), for:

(a) an order of the Commission, pursuant to section 80 of the CFA (the **Order**), that each of the Commonfund Entities, and each of the Commonfund 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, for a period of five years, 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 Foreign 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 Commonfund 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;

"Commonfund Affiliate" means an entity, other than a Commonfund Entity, that is an affiliate of, or entity organized by, a Commonfund Entity;

"Director's Consent" means, for a Commonfund Affiliate, the Director's Consent referred to in paragraph 4, below;

"Foreign 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;

"Fund" means an investment fund;

"Identifying Notice" means, for a Commonfund Affiliate, the Identifying Notice referred to in paragraph 3, below;

"Named Applicant" means:

(a) CAMC Inc. and CC Inc.; and

(b) a Commonfund Affiliate that has 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 Commonfund Affiliate, an objection notice, as described in paragraph 5, below, that is issued by the Director, following the filing by the Commonfund 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 UPON the Commonfund Entities having represented to the Commission that:

1. Each of the Commonfund Entities are corporations formed under the laws of the State of Delaware in the United States of America. Any Commonfund 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) Commonfund Capital Natural Resources Partners VII, L.P., Commonfund Capital Natural Resources Partners VIII, L.P., Commonfund Capital International Partners V, L.P., Commonfund Capital International Partners VI, L.P., Commonfund Capital International Partners VII, L.P., the funds of The Common Fund for Nonprofit Organizations, Commonfund Emerging Markets Investors Company, Commonfund Institutional All Cap Equity Fund, LLC, Commonfund Institutional Core Equity Fund, LLC, Commonfund Institutional International Equity Fund, LLC, Commonfund Institutional Multi-Strategy Equity Fund, LLC, Commonfund Institutional Small Cap Fund, LLC, Commonfund Multi-Strategy Equity Investors, LLC, Commonfund Global Distressed Investors, LLC, Commonfund Institutional Core Plus Bond Fund, LLC, Commonfund Institutional Global Bond Fund, LLC, Commonfund Institutional Multi-Strategy Bond Fund, LLC, Commonfund Institutional Multi-Strategy Commodities Fund, Ltd., Commonfund Institutional Real Return Bond Fund, Ltd., Commonfund Multi-Strategy Bond Investors, LLC, Commonfund Global Absolute Alpha Company, Commonfund Hedged Equity Company, Commonfund Hedged Investors Company, Commonfund Multi-Strategy Global Hedged Partners LLC, Commonfund Strategic Solutions Relative Value Fund, Ltd.; and

   (ii) other investment funds.

3. A Commonfund 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 Commonfund Affiliate as a Named Applicant for the purposes of this Order. The Identifying Notice will be filed not less than ten (10) days before the date the Commonfund 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 Commonfund 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 Commonfund Affiliate, issue to the Commonfund Affiliate a written consent (the **Director's Consent**, in the form of Part B of the attached Schedule). However, a Commonfund 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 Commonfund Affiliate, the Director is not of the opinion that it would not be prejudicial to the public interest to specifically name such Commonfund Affiliate as a Named Applicant for the purposes of this Order, the Director will issue to the Commonfund Affiliate a written notice of objection (the **Objection Notice**), in which case the Commonfund 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 "community 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. Neither of the Commonfund Entities are 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 of securities, it will comply with the adviser registration requirement in the OSA. Currently, CC Inc. is not registered in any capacity under the OSA. CAMC Inc. is registered with the Commission as a non-Canadian adviser in the categories of investment counsel and portfolio manager.

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. The Applicants are investment managers for investment funds (the **Existing Funds**). The Applicants may in the future establish or advise certain other mutual funds, non-redeemable investment funds or similar investment vehicles (together with the Existing Funds, the **Funds**).

15. 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.

16. CAMC Inc. is registered as an investment adviser with the U.S. Securities and Exchange Commission (the **U.S. SEC**) and is registered as a commodity pool operator with the U.S. Commodity Futures Trading Commission (the **CFTC**). CAMC Inc. is exempt from registering as a commodity trading adviser with the CFTC.

17. CC Inc. is registered as an investment adviser with the U.S. SEC and is exempt from registering as a commodity trading adviser and commodity pool operator with the CFTC.

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 Foreign Contracts, provided that:

1. At the time the Named Applicant so acts as an adviser to any such Fund,

   A. the Named Applicant is not ordinarily resident in 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 Foreign Contracts, pursuant to the applicable legislation of the Named Applicant's principal jurisdiction;

   C. securities of the Fund are:

      (i) primarily offered outside of Canada,

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

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

   D. prior to purchasing any securities of the Fund, all investors in the Fund 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 the CFA will not be available to purchasers of securities of the Fund; and

2. 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 Commonfund 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 Commonfund Affiliate; and

(ii) object, from time to time, to varying the above Order to specifically name any one or more Commonfund Affiliates that has filed an Identifying Notice, as described in paragraph 3, above, as a Named Applicant, by issuing to the Commonfund Affiliate an Objection Notice, as described in paragraph 5, above, provided, however, that, in the event of any such objection, the corresponding Commonfund 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.

February 17, 2009

"David L. Knight"
Commissioner
Ontario Securities Commission

"Paulette L. Kennedy"
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 **Commonfund Affiliate**)

Re: ***In the Matter of Commonfund Asset Management Company, Inc. and Commonfund Capital, Inc.*** **(collectively, the Commonfund Entities)**
OSC File No.: 2008/0830

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

1. On February ___, 2009, 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 Foreign Contracts (as defined in the Decision), subject to certain terms and conditions specified in the Order.

2. The Commonfund Affiliate has attached a copy of the Decision to this Identifying Notice.

3. The Commonfund Affiliate is an affiliate of one or both of Commonfund Asset Management Company, Inc. and Commonfund Capital, Inc.

4. The Commonfund 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 Commonfund Affiliate as a Named Applicant for the purposes of the Order, pursuant to section 78 of the CFA.

5. The Commonfund 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 Commonfund 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 Commonfund 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 **Commonfund Affiliate**)

From: Director
Ontario Securities Commission

Re: ***In the Matter of Commonfund Asset Management Company, Inc. and Commonfund Capital, Inc.*** **(collectively, the Commonfund Entities)**
OSC File No.: 2008/0830

I acknowledge receipt from the Commonfund Affiliate of its Identifying Notice, dated _____, 20___, by which the Commonfund 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 Praetorian 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 Commonfund 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 Kenneth Clark Hopper – s. 26(3)

IN THE MATTER OF
AN APPLICATION FOR TRANSFER OF REGISTRATION OF
KENNETH CLARK HOPPER

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
UNDER SECTION 26(3) OF THE SECURITIES ACT

Date of Decision: February 11, 2009

Director: Christina Forster Pazienza, CA
Assistant Manager, Compliance
Ontario Securities Commission

Written Submissions by: Rita Lo, Registration Research Officer
Michael Denyszyn, Legal Counsel, Registrant Regulation
For the staff of the Ontario Securities Commission

Jonathan J. Sommer, Sommer's Business Law Firm
For Kenneth Clark Hopper

Overview

1. This decision relates to the application (the **Application**) for the transfer of the registration of Kenneth Clark Hopper (**Hopper**) as a salesperson in the categories of mutual fund dealer (**MFD**) and limited market dealer (**LMD**) under the Securities Act (Ontario) (the **Act**) sponsored by Armstrong & Quaile Associates Inc. (**Armstrong & Quaile**), a firm registered in the categories of MFD and LMD.

2. Ontario Securities Commission (the **OSC** or **Commission**) staff recommended that the Director refuse the Application based on the circumstances leading to Hopper's resignation for cause from his former employer, Investor House of Canada Inc. (**IHOC**) and prior to that, the circumstances at another former employer, Queensbury Strategies Inc. (**Queensbury**). Staff has taken the view that the circumstances of Hopper's past employment calls into question his suitability for registration.

Background

3. Between 1994 and 2008 Hopper was registered under the Act as a salesperson with various mutual fund dealers.

4. Hopper was registered as a salesperson in the categories of MFD and LMD sponsored by Queensbury on May 2, 2003. On July 21, 2006 he left Queensbury in good standing.

5. Hopper was registered as salesperson in the categories of MFD and LMD sponsored by IHOC on July 24, 2006. On May 31, 2008 he resigned for cause from IHOC.

6. On June 3, 2008, Armstrong & Quaile submitted the Application.

7. On September 11, 2008, OSC staff advised Hopper that it was recommending to the Director that the Application be refused.

8. In accordance with subsection 26(3) of the Act, Hopper exercised his right for an Opportunity to be Heard by the Director through written submissions.

9. OSC staff, Rita Lo, Registration Research Officer and Michael Deneyszyn, Legal Counsel, Registrant Regulation, prepared written submissions by way of memorandum (**Staff's Memorandum**) dated November 27, 2008. Written submissions on behalf of Hopper were submitted by Jonathan J. Sommer, Sommer's Business Law Firm, by way of letter, dated December 15, 2008 (**Hopper's Memorandum**).

10. Below is a summary of OSC staff's and Hopper's submissions, as outlined in Staff's Memorandum and Hopper's Memorandum, respectively, followed by my decision and reasons.

Staff Submissions

Overview

11. OSC staff recommended that the Director refuse the Application on the grounds that Hopper is not suitable for registration due to the lack of the requisite integrity and competence, and that his proposed registration would be objectionable.

12. The recommendation was made in light of three main areas of concern:

- Hopper's conduct while employed at Queensbury;
- Hopper's conduct while employed at IHOC; and
- Hopper's conduct in dealing with Mr. and Ms. P, and Mr. and Ms. R (collectively, the Complainants), former clients.

Suitability for registration generally

13. Subject to certain exemptions, subsection 25(1) of the Act requires any person or company that trades in securities or advises others in respect of investment in securities to become registered in the relevant category under the Act. 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. Determining whether an applicant should be registered is thus an important component of the work undertaken by the OSC. As well, as noted in numerous decisions by the Commission, other securities commissions and the courts, registration is a privilege, not a right.

14. Subsection 26(1) of the Act states that unless it appears to the Director that the applicant is not suitable for registration, renewal of registration or reinstatement of registration or that the proposed registration, renewal of registration, reinstatement of registration or amendment to registration is objectionable, the Director shall grant registration, renewal of registration, reinstatement of registration, or amendment to registration to an application. Therefore, the question for the Director to determine in this matter is whether Hopper is suitable for registration or whether registering Hopper would be objectionable.

15. The meanings of "suitable" and "objectionable" for the purposes of section 26 of the Act are not set out in Ontario securities law. However, the Commission has, over time, articulated three fundamental criteria for determining suitability for registration:

- **Integrity**, which includes honesty and good faith, particularly in dealings with clients, and compliance with Ontario securities law;
- **Competence**, which includes prescribed proficiency and knowledge of the requirements of Ontario securities law; and
- **Financial solvency**, which is considered relevant because it is an indicator of a firm's capacity to fulfill its obligations and can be an indicator of the risk that an individual will engage in self-interested activities at the expense of clients.

Concerning "integrity", section 102 of the Regulations under the Act (the **Regulation**) expressly provides that no registration or renewal of registration will be granted unless the Applicant has complied with the applicable requirements of the Regulation at the time of granting of registration or renewal of registration. Among other relevant provisions of the Regulation, subsection 2.1(1) of OSC Rule 31-505 *Conditions of Registration* (**OSC Rule 31-505**) requires that a registered dealer or adviser shall deal fairly, honestly and in good faith with his or her clients.

As described below, staff is of the view that the criteria at issue in the Application are Hopper's integrity and competence. Staff is not of the view that Hopper should be denied registration due to concerns with his financial solvency.

Objectionable

16. Subsection 26(1) draws a distinction between the Director's determination as to whether (a) an applicant is suitable for registration, or (b) it would be objectionable to permit the applicant to be registered.

17. Staff argues that the determination that something is "objectionable" in the context of the Act must be made with reference to the public interest that is served by the Act. That public interest is in turn defined by reference to the purposes of the Act as they are set out in section 1.1 (a) to provide protection to investors from unfair, improper or fraudulent practices, and (b) to foster fair and efficient capital markets and confidence in capital markets.

18. In most cases, the determination as to whether registration is "objectionable" will coincide with the determination as to suitability based on the criteria enumerated above. Nonetheless, the Director also has the power to determine that it would be objectionable to approve an application on broader public interest grounds, regardless of the determination as to suitability.

Relevance of past conduct

19. In the *Charko* decision (*In re Charko* (1992), 15 OSCB 1389), the Commission has taken the position that "[i]n assessing fitness for registration, the Director must necessarily place a strong reliance on an applicant's past behaviour. As well, the Commission noted that "[s]uitability includes the totality of …[a Registrant's] … past and present".

20. In the *Mithras* decision (*In re Mithras Management Ltd .et al* (1990) 13 OSCB 1600) the Commission also stated that "... the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant -- those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts ... We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all."

Suitability of Hopper

21. Staff has recommended that the Director refuse the Application on the basis that Hopper lacks the requisite integrity and competence for registration.

Integrity

Conduct at Queensbury

22. Staff alleges that while employed at Queensbury, Hopper participated in and recommended certain charitable donation programs (**Programs**) without his employer's knowledge and consent, and concealed his involvement in the Programs by initialling a statement that he had not participated in/recommended Programs for any clients. Hopper had, in fact, recommended Programs to the Complainants, as well as several other clients, in 2003, 2004 and 2005, which Hopper acknowledged to staff.

23. By way of background, on February 7, 2006, the Compliance Department at Queensbury distributed a series of policy memoranda, including Policy Memorandum Str-2006-03, "Charitable Donation Programs," which all Queensbury representatives were expected to abide. All representatives were required to apprise Queensbury of any Programs recommended to Queensbury clients, and since the Programs were considered to be an outside business activity, clients were required to execute an acknowledgement and waiver with regard to the Programs. Hopper signed an acknowledgement stating that he had read, understood, and would abide by each of the policy memoranda, including Str-2006-03. The statement that he had not participated in these programs, as noted above, was on the same page.

Conduct at IHOC

24. Staff submitted that after Hopper joined IHOC, Queensbury filed a complaint to the Mutual Fund Dealers Association of Canada (the **MFDA**). Queensbury alleged that on August 22, 2006, while employed at IHOC, Hopper used pre-signed

forms and faxed Queensbury trade orders, on Queensbury letterhead, using his Queensbury Dealer/Rep code. Hopper acknowledged to the MFDA that these allegations were true.

25. The MFDA found that Hopper violated MFDA Rule 2.1.1 to deal fairly, honestly and in good faith with his clients and not engage in any business conduct or practice which is unbecoming or detrimental to the public interest.

26. Regarding Hopper's use of his former Dealer/Rep code, the MFDA found that Hopper violated MFDA Rule 1.1.4(a) requiring him to be registered or licensed in the manner necessary in order to conduct business as an Approved Person.

27. During the MFDA's investigation, MFDA enforcement staff also discovered that Hopper had been marketing securities under the trade name "Wisdom Financial" without the approval of IHOC.

28. The MFDA found that Hopper violated MFDA Rule 1.1.7(c) which prohibited him from the use of a trade name not owned by IHOC unless IHOC had given its prior written consent and had its legal name used together with Hopper's unaffiliated trade name.

29. The MFDA issued a warning letter to Hopper on February 7, 2007 which addressed the above issues.

30. Hopper signed an acknowledgement to the MFDA on February 6, 2007 that the use of "Wisdom Financial" was limited to "marketing and servicing of insurance business" and was "not authorized for the marketing or sale of any products offered through IHOC".

31. Staff alleges that Hopper did not provide full disclosure to staff of his reasons for resigning from IHOC. He excluded the fact that he had received numerous warnings from IHOC about the use of the unauthorized trade name, and that on April 30, 2008, the day before he resigned, he was cautioned by IHOC that he faced termination if he did not cease the use of the unauthorized trade name.

Disclosure to Armstrong & Quaile

32. Staff alleges that Hopper failed to provide full disclosure to Armstrong & Quaile regarding his past conduct at Queensbury and IHOC as a letter written by Armstrong & Quaile (the "**Armstrong Letter**"), which was provided to staff by Hopper, omitted certain key details.

Competence

Lack of duty of care to the Complainants

33. OSC Rule 31-505 sets out the general duties and obligations which registrants owe to their clients. The general duties under subsection 2.1 (1) require a registered dealer to deal fairly, honestly and in good faith with its clients.

34. Section 1.5 of OSC Rule 31-505 also sets out the know your client (**KYC**) and suitability obligation which requires a registered salesperson of a registered dealer to make such enquiries about each client as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to ascertain the general investment needs and objectives of the client and the suitability of a proposed purchase or sale of a security for the client.

35. Staff alleges that Hopper failed to provide the requisite duty of care to the Complainants and failed to perform an adequate KYC and suitability review with respect to the Programs.

36. In the *Daubney* decision (*In re Daubney and Littler* (2008), 31 OSCB 4817), the Commission stated that the Act "… places the duty of care on the registrant, who is better placed to understand the risk and benefits of any particular investment product."

The donations

37. Hopper recommended to Mr. and Ms. P that they use borrowed funds to increase the value of their donation to two Programs – the Canadian Gift Initiatives (**CGI**) and the Canadian Humanitarian Trust (**CHT**). Hopper's son is a sales representative of CHT.

38. Hopper recommended that Mr. and Ms. R use borrowed funds to increase the value of their donation to the Banyan Tree Foundation Program (**Banyan Tree**), also a Program.

39. The Complainants had the expectation that they would be able to claim both their funds and the borrowed funds as a tax deductible donation. The Canada Revenue Agency (**CRA**) has since reassessed the tax returns of each of the Complainants, resulting in a large sum of money owing to CRA.

KYC and suitability assessment

40. Staff alleges that Hopper failed to collect and document appropriate KYC information. While at Queensbury, Hopper worked with Mr. and Ms. P in the completion of their new account application forms. For both Mr. and Ms. P, the initial forms, dated May 19, 2003, indicated an investment knowledge of "average" and a risk tolerance of "medium". Less than a year later, on February 16, 2004, their investment knowledge was updated to "minimal", while their risk tolerance was updated to "high". A high risk tolerance was inconsistent with minimal investment knowledge. When Mr. and Ms. P later opened accounts through Hopper with IHOC on August 6, 2006, their account opening forms also indicated an investment knowledge of "low" and a risk tolerance of "high". Hopper signed off on each of these forms.

41. Similarly, while at Queensbury, Hopper assisted Ms. R in the completion of a new account application form. Her initial form, dated December 2003, specified an investment knowledge of "medium" and a risk tolerance of "high". On August 18, 2006, Ms. R opened an account through Mr. Hopper at IHOC, with an investment knowledge of "low" and a risk tolerance of "high". A high risk tolerance was inconsistent with low investment knowledge. Hopper signed off on each of these forms.

42. The Complainants stated in a letter to the Vice President of Queensbury, dated August 14, 2007, that Hopper advised them to indicate on their account opening forms a risk tolerance of high in order for him to make investment decisions that were suitable for their families. Staff alleges that Hopper guided the Complainants to declare a high tolerance for risk, not because a high-risk approach suited their needs and goals, but because it would enable him to ensure that the Complainants could participate in his preferred investment strategies.

43. Hopper represented to staff in his response to the OSC Questionnaire that he told the Complainants that leveraging was a risky strategy and that he only recommended the Programs to those that had tolerance for risk. Staff alleges that even if the Complainants articulated a tolerance for risk, that did not absolve Hopper of his statutory responsibility to make an appropriate suitability determination.

44. Staff alleges that there was an inappropriate suitability analysis performed by Hopper as there was no documented evidence to support that the Programs were a suitable strategy for the Complainants, and that using leverage to support that strategy was appropriate, in light of the Complainants' income, family circumstances, and limited ability to absorb losses.

45. In response to a complaint letter dated April 17, 2007 from the Complainants to the MFDA, the MFDA issued a second warning letter to Hopper on September 20, 2007. The MFDA also noted Hopper's lack of documentation to support leveraging, and stated that Hopper breached MFDA Rule 5.1 (b) which requires that an adequate record of each order and of any other instructions received be maintained.

46. Staff alleges that Hopper provided advice to the Complainants that was outside of his area of expertise and competence, with respect to the CRA reassessment process of the Programs.

Referral Fees

47. Hopper denied to staff that he received any compensation for recommending the Programs. However, Hopper acknowledged to staff that Hopkin Holding Ltd (**Hopkin**), a company of which he is the President and Director, did receive remuneration for sales of the Programs. Hopkin received a total of $12,280 in referral fees in connection with the three Programs, CGI, CHT, and Banyan Tree .

48. Hopper acknowledged to staff that he did not disclose to clients that Hopkin received referral fees for the Programs they had contributed to. Staff alleges that this is contrary to MFDA Rule 2.4.2 that requires written disclosure of referral arrangements to clients prior to any transactions taking place. The written disclosure must include an explanation or an example of how the referral fee is calculated, including the name of the parties receiving and paying the fee.

Personal financial dealings with a client

49. Staff alleges that Hopper failed to disclose a conflict of interest to IHOC. The conflict arose from a situation where Hopper issued a cheque for $600 to a client as compensation for what Hopper felt was an untimely response by IHOC to his redemption request for a client. Rather than escalate this issue to IHOC, he paid the client himself. Staff also alleges that he breached MFDA Rule 2.1.4 which requires Approved Persons to immediately disclose any conflict of

interest or potential conflict of interest between the Member and the Client to the Member (as such terms are defined in the MFDA Rule).

Registration objectionable

50. As described above, in addition to determining whether an applicant is suitable for registration, the Director also has the ability to determine whether it would be objectionable to permit the applicant to be registered on broader public interest grounds, regardless of the suitability determination. Staff submits that the proposed registration of Hopper is objectionable on public interest grounds.

Denial or terms and conditions

51. Depending on the degree to which an applicant for registration, renewal of registration, transfer of registration or reinstatement of registration has failed to satisfy one or other of these criteria noted above in paragraph 15, staff will often recommend registration subject to terms and conditions tailored to the suitability concerns that are specific to the individual applicant. Less often, staff will recommend that registration be denied altogether because of the extent or persistence of an applicant's failure to satisfy the suitability criteria.

52. In the *Jaynes* decision (*In re Craig Alan Jaynes* (2000), 23 OSCB 1543) the Commission took the position that "[w]hile 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."

Hopper submissions

Overview

53. Hopper objects to staff's recommendation. The primary area in which staff and Hopper disagree is with respect to the issue of integrity. Hopper represents that he has always placed his client's interest above his own. His failure to observe the rules has been to better fulfill his clients' wishes.

54. Hopper alleges that staff has failed to observe procedural fairness in this proceeding, in light of the unfair, biased and unsubstantiated method employed by staff in arriving at its conclusion about Hopper's disclosures to Armstrong & Quaile, as set out in the Armstrong Letter, and the refusal of staff to provide copies of its interview notes with interviewees.

55. Hopper proposes that, in these circumstances, registration with terms and conditions would be more appropriate than a denial of registration. Hopper acknowledges that his failures cannot be justified by their benevolent nature, and he has some real work to do to focus on strict compliance no matter what the circumstances. Hopper feels that his failings can be remedied by allowing him to register, with terms and conditions imposed on his registration.

56. Hopper admits he has made some mistakes and that his compliance with certain technical rules has not always been perfect. Hopper apologizes for his errors and wishes the OSC to know that never did he act with any motivation contrary to providing the fullest service to his clients.

Submissions on allegations

57. Hopper responded to each of the areas of concern set out in Staff's Memorandum and provided details to support his arguments.

58. Hopper apologizes if it is Queensbury's view that Hopper answered the statement incorrectly as to whether he had recommended any Programs to clients. He had no intention of hiding anything. He interpreted Policy Memorandum Str-2006-03 to apply on a going forward basis, and did not apply to his past involvement in the Programs.

59. Hopper is sorry he handled the situation poorly regarding the order placed with Queensbury after his termination. He understands now that even though he may have helped the client and acted out of a desire to help, he ought to have told the client to deal with Queensbury directly.

60. Hopper admits to the use of pre-signed forms and has ceased this practice. He admits that he did not follow proper procedure by using these forms.

61. Hopper states that he never marketed securities to clients or to the public under the trade name "Wisdom Financial", and only used that trade name in connection with insurance and other products. He states that IHOC was aware at all

times of his use of the name in connection with non-IHOC products, and states that IHOC never told him there was anything wrong with that practice. However, Hopper acknowledges and agrees that a strict adherence to the rules would have required him to obtain prior approval by IHOC in writing

62. Hopper disagrees with OSC staff's suggestion that Hopper left IHOC because of the dispute related to his trade name. He states that his decision had more to do with joining a more supportive and reputable firm.

63. Hopper's view is that with respect to the Programs listed in staff's allegations, whether or not a Program's participants are reassessed says nothing about whether the program is legally effective in securing for its participants the tax benefits they claim. The responsibility lies with the Tax Court of Canada. His view is that to talk of the fact of reassessment as if that is determinative is misleading at best.

64. Hopper acknowledges that he recommended or provided loan advice to the Complainants in connection with their participation in the Programs. His understanding of the risks involved in the programs was formed by: (a) the due diligence process information in the Programs' marketing material; (b) the legal and accounting opinions in the Programs' marketing materials; (c) discussions he had with the promoters of the Programs and their lawyers, and (d) CRA's pamphlet "Tax Advantages of Donating to Charity".

65. Hopper is of the view that the Programs were effective and reliable ways of reducing tax for his clients.

66. Hopper represents that he made the Complainants aware of the existence of substantial legal defence funds established in order to defend the Complainant's participation in these Programs in the event of reassessment (as outlined in the Program documentation he gave to the Complainants), which was a possibility. He also stressed the importance of investing tax savings obtained through participation in the Programs so that any future tax liability incurred as a result of a possible reassessment would be covered. Furthermore, he told them that if they needed funds in the short term they could get them by borrowing, but that it was not advisable to do so unless their cash flow could absorb quick repayment of those loans.

67. Hopper states that he informed the Complainants of the risks involved in the Programs, to the extent that it was possible, since Hopper is not a tax shelter lawyer.

68. Hopper alleges that the risky ways that the Complainants financed their participation in the Programs were beyond Hopper's control, and that they refused to listen to reason, financial and legal counsel. He alleges that the Complainants refused to take responsibility for the mistakes they made in the way they handled their finances. He also states that the Complainants were forceful and active determiners of their own destinies.

69. In Hopper's dealings with the Complainants, he regrets and is sorry that his documentary disclosure and note-taking were not done as they should have been. However, he believes that the disclosure and advice that he gave in his lengthy discussions with the Complainants was sound.

70. Hopper acknowledges that he received referral fees in connection with the Programs in 2003 and 2004. He also acknowledges that he failed to abide by MFDA Rule 2.4(b)(iv) which required him to provide disclosure of the referral fees to the Complainants.

71. Hopper disagrees with staff's submission that referral fees in connection with his clients' investment in the Programs were paid to him through Hopken. His view is that although Hopper is the majority shareholder in Hopken, he has never received Program commissions/referral fees "through" that entity. Rather, Hopken only made payments to Hopper's son and other representatives.

72. Hopper acknowledges that he did not disclose to IHOC the conflict of interest between IHOC and the client which arose as a result of IHOC's failure to process that client's redemption request in a timely manner. He paid the client $600 out of his own pocket because he cared about the client's financial and emotional well-being. He acknowledges that his failure to disclose constitutes a technical violation of the applicable rules which he claims he will never commit again. However, he disagrees with staff that this incident demonstrates a lack of integrity.

Decision

73. After having reviewed the written submissions provided, it is my decision that the Application should be refused.

Reasons

74. The questions for me to determine are whether Hopper, as applicant in the Application, is suitable for registration or whether it would be objectionable to permit Hopper to be registered. In order to make this decision, I have considered

Staff's Memorandum and Hopper's Memorandum, the nature and extent of the issues raised by staff, and have reviewed past decisions which may have bearing on the Application.

75. In deciding whether to: (a) deny registration or (b) register Hopper with terms and conditions, I looked at the extent and persistence of Hopper's failure to satisfy the suitability criteria for registration. This is demonstrated by the nature and number of concerns raised by staff regarding Hopper's past conduct at Queensbury and IHOC. I have considered whether terms and conditions would be appropriate in these circumstances. However, I do not believe that terms and conditions would be able to address my concerns regarding Hopper's suitability.

76. I agree with staff's view that Hopper lacks the integrity and competence required of a registrant and therefore is not suitable to be registered. I do not find Hopper's arguments to be persuasive. Hopper was involved in a series of transgressions at two former employers, Queensbury and IHOC, that in their totality, reflect poorly on his conduct as a salesperson and would necessarily require remedial action. However, it is his lack of duty of care to the Complainants, including a failure to conduct a reasonable and adequate KYC review and to ensure the suitability of the Programs, and the leveraged strategy recommended by him and employed by the Complainants to facilitate their contributions, that I find most troublesome.

77. Staff has alleged that Hopper showed a lack of integrity with respect to his lack of disclosure to Armstrong & Quaile regarding the circumstances of his departure from his previous employer. However, I am not convinced that staff had sufficient evidence to support their conclusion. In this regard, Hopper had cited a lack of procedural fairness on the part of staff. As a result, I have put aside this allegation and have not considered it in my decision.

78. I agree with staff that Hopper violated the KYC obligation and suitability requirements, as well as the duty of care set out in OSC Rule 31-505 to deal fairly, honestly and in good faith when he made unsuitable investment recommendations to the Complainants. I find that Hopper failed to fulfill his obligations as a registrant under the Act, and his conduct caused great harm to the investors who relied on him and trusted him to follow the rules and regulations applicable to registrants when dealing with clients.

79. Hopper has been registered as a salesperson with many mutual fund dealers over approximately a fifteen year period. These transgressions appear to have arisen over the last five years of that period. Given the length of time that he has been in the industry, I find the actions of Hopper raised by staff even more troubling and am of the view that his actions are not that of a registrant who meets the standards of integrity and competence.

80. Hopper has shown remorse for some of his actions, but not all. He blames the Complainants for their current predicament and the CRA reassessments that have resulted in large sums of money owed to CRA, as well as the manner in which the Complainants have chosen to deal with the reassessments. Hopper has failed to take responsibility for his actions and his recommendations to the Complainants with respect to the Programs, as well as the leverage strategy that he advised the Complainants to undertake. To reiterate, in the *Daubney* decision, the Commission has stated that the Act "… places the duty of care on the registrant, who is better placed to understand the risk and benefits of any particular investment product. That duty cannot be transferred to the client."

81. As part of Hopper's KYC and suitability obligations, it was his responsibility to perform adequate due diligence on the Programs. Hopper argues that he adequately assessed the risk of the Programs, and feels that the Programs were effective tax reduction strategies. However, given the number of warnings that CRA has issued to the public regarding these Programs in the past, and the potential negative outcomes of CRA reassessments, it is my view that this was a high risk activity for any investor. Despite this, Hopper recommended these Programs to the Complainants, Programs from which he also benefited financially. In this regard, I would note that even if Hopper did not benefit directly, he benefited indirectly by referral fees going to a company that he controlled.

82. The fact that Hopper also advised the Complainants to prepare for a negative scenario by investing tax savings obtained through participation in the Programs so that any future tax liability would be covered, and taking comfort in the fact that legal relief funds had been set up for these Programs, supports that these Programs were risky . In my view, these Programs were not suitable for the Complainants, given their level of income, family circumstances, minimum investment knowledge and low risk tolerance, and limited ability to absorb losses. The use of a leverage strategy to donate to these strategies further amplified the risk to the Complainants, and again, was not suitable for the Complainants.

83. As I have determined that Hopper is not suitable for registration, it is not necessary for me to determine whether it would be objectionable to permit Hopper to be registered. However, it should be noted that given the extent of Hopper's actions, I would agree with staff that the proposed transfer of registration would be objectionable and contrary to the public interest.

"Christina Forster Pazienza, CA"
Assistant Manager, Compliance

3.1.2 Biovail Corporation et al.

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

SETTLEMENT AGREEMENT OF
BRIAN H. CROMBIE

I. INTRODUCTION

1. By Notice of Hearing and related Statement of Allegations dated March 24, 2008 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders against Biovail Corporation ("Biovail"), Eugene N. Melnyk ("Melnyk"), Brian H. Crombie ("Crombie"), John R. Miszuk (“Miszuk”) and Kenneth G. Howling ("Howling").

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff”) agree to recommend settlement of the proceeding initiated in respect of Crombie by the Notice of Hearing in accordance with the terms and conditions set out below. Crombie agrees to the settlement on the basis of the facts set out in Part IV and consents to the making of an Order in the form attached as Schedule "A".

III. ACKNOWLEDGEMENT

3. Crombie admits the facts set out in Part IV of this Settlement Agreement solely for the purposes of this Settlement Agreement. This Settlement Agreement and the facts and admissions as set out herein are without prejudice to Crombie in any other proceeding including, without limitation, any civil, administrative, quasi-criminal or criminal actions or proceedings currently pending or that may be brought by any person or agency, whether or not this Settlement Agreement is approved by the Commission. No other person or agency may raise or rely upon the terms of this Settlement Agreement or any agreement or the facts stated herein whether or not this Settlement Agreement is approved by the Commission. Without limiting the generality of the foregoing, Crombie expressly denies that this Settlement Agreement is intended to be an admission of civil or criminal liability and expressly denies any such admission of civil or criminal liability.

IV. FACTS

Background

4. Biovail Corporation ("Biovail") is a reporting issuer in the province of Ontario. The common shares of Biovail are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange. Biovail is a fully-integrated pharmaceutical company.

5. During the period May 2000 to August 2004, Crombie was Biovail’s Chief Financial Officer. From August 2004 to May 2007, Crombie was Vice-President, Strategic Development. Crombie is no longer employed by Biovail.

6. As Chief Financial Officer, Crombie had overall responsibility for Biovail’s finance and accounting function. He reported to Melnyk, Biovail’s Chief Executive Officer. Crombie is not a Chartered Accountant or a Certified Public Accountant and has no other accounting licences or designations. He was assisted in the overseeing of the accounting function of the company by experienced accounting staff. Crombie would have input into financial press releases and participate in their drafting from time to time but did not have final authority to issue press releases on Biovail’s behalf.

The Wellbutrin XL Bill and Hold Arrangement

7. On July 29, 2003, Biovail released its financial results for the quarter ending June 30, 2003 (the "Q2 2003 Press Release"). These results were further disseminated in a conference call and webcast held on July 29, 2003 (the "Q2 2003 Analyst Call"). Biovail subsequently filed financial statements for this quarter with the Commission on August 29, 2003 (the "Q2 2003 Financial Statements").

8. The Q2 2003 Press Release, Q2 2003 Analyst Call and the Q2 2003 Financial Statements included in Biovail's revenue for the quarter approximately U.S. $8 million relating to a sale of Wellbutrin XL ("WXL") tablets to GlaxoSmithKline PLC ("GSK") that Biovail has represented was carried out on a "bill-and-hold" basis. Inclusion of this amount in revenue for the quarter increased Biovail's operating income by approximately U.S. $4.4 million.

(a) The Wellbutrin XL Agreement

9. On October 26, 2001, Biovail (through its subsidiary Biovail Laboratories Inc. ("BLI")) entered into a Development, License and Co-Promotion Agreement with GSK. This agreement was modified by a Memorandum of Understanding effective January 1, 2003 (together, these two documents form the "Agreement"). Under the Agreement, Biovail agreed to manufacture and supply all of GSK's requirements for tablets of WXL.

10. Under the Agreement, Biovail was to supply GSK with WXL tablets at two price points: "trade" prices for tablets which were to be sold to the public, and "sample" prices for tablets which were to be distributed free through physicians in order to promote the tablets in the marketplace.

11. Under the Agreement, the prices were fixed for sample tablets. Prices for trade tablets were based upon a tiered percentage of GSK's net sales of WXL, and were higher than the sample tablet prices. The Agreement contemplated that Biovail would package the trade tablets at its own expense.

12. At the time of entering into the Agreement, WXL had not been approved by the U.S. Food and Drug Administration ("FDA"), and thus could not be sold to the public.

13. The FDA approved WXL on August 28, 2003. This included approving the form of packaging and labeling for WXL.

(b) GSK's Purchase Orders

14. The Agreement did not impose an obligation on Biovail to manufacture WXL prior to FDA approval. The Agreement did not make specific provision, whether through milestone payments or otherwise, for the expenses of pre-launch manufacture of WXL. It also did not specifically contemplate a price at which pills manufactured prior to launch would be sold.

15. During 2002, Biovail and GSK representatives met to discuss the pre-launch manufacture of WXL.

16. In April 2003, GSK sent out an initial order for 30,400,000 WXL tablets, for which it proposed to pay the sample prices provided in the Agreement (the "April Purchase Order"). These tablets were requested for June delivery.

17. Throughout April, May and June 2003, GSK and Biovail representatives continued to discuss the pre-launch manufacture of WXL. The parties agreed that, in addition to the April Purchase Order, GSK would place an order for WXL for which it would pay a fixed price.

18. On June 20, 2003, GSK sent Biovail a purchase order requesting 27,090,000 WXL tablets at a fixed price per tablet and a $1.00 per bottle packaging fee (the "June Purchase Order"). The June Purchase Order replaced the April Purchase Order and therefore also contained an order for 30,400,000 WXL tablets at sample prices.

(c) Recognition of Revenue

19. On June 30, 2003, Biovail invoiced GSK for a total of 18,020,244 WXL tablets at fixed trade prices for a total amount of $8,073,051.24 (the "June Invoice"). Biovail recorded this latter figure as revenue for its fiscal quarter ending June 30, 2003. The inclusion of this revenue increased Biovail's operating income for the quarter by approximately $4.4 million, which was a material amount.

(d) The Bill-and-Hold Arrangement

20. The June Invoices identified by lot number the specific WXL tablets that it encompassed (the "Specified Tablets"). Crombie was advised by Biovail staff and understood that, subsequent to June 30, 2003, Biovail maintained the

Specified Tablets in a segregated area of its warehouse in Steinbach, Manitoba and in a designated "site" in its inventory system. Biovail did not, however, supply all of the Specified Tablets to GSK in accordance with the terms reflected on the June Purchase Order and the June Invoice.

21. On August 1, 2003 and August 22, 2003, Biovail shipped some of the Specified Tablets to GSK as sample product. By August 31, 2003, Biovail had replaced most if not all, of those Specified Tablets with new WXL tablets (the "Pill Switch").

22. Biovail ultimately issued credit memos for the June Invoice and re-issued a different invoice, with different lot numbers, reflecting the sale of the new WXL tablets at the fixed prices agreed in the June Purchase Order.

23. Canadian GAAP provides that in most cases, revenue is not recognized until the passing of possession of goods. In other words, in most cases, revenue should not be recognized until delivery has occurred. Delivery generally is not considered to have occurred unless the product has been delivered to the customer's place of business or to another site specified by the customer.

24. "Bill and hold" transactions, in which delivery of the goods does not immediately take place, provide an exception to general revenue recognition principles. Such transactions, however, must meet very specific accounting requirements.

25. Biovail has admitted in a Settlement Agreement entered into with Staff dated January 7, 2009 (the "Biovail Settlement Agreement") that Biovail represented that it recognized the revenue with respect to the sale of the Specified Tablets on June 30, 2003 on a "bill and hold" basis. However, Biovail acknowledged in the Biovail Settlement Agreement that the revenue recognition requirements under Canadian GAAP for "bill and hold" arrangements were not met with respect to the Specified Tablets and that, accordingly Biovail should not have recognized revenue in its Q2 2003 Financial Statements from the sale of the Specified Tablets. Biovail admitted that it thereby violated Ontario securities law and acted in a manner that was contrary to the public interest.

26. As the senior financial officer of Biovail, Crombie had principal responsibility for ensuring that the Q2 2003 Financial Statements complied with Canadian GAAP. He certified the public disclosure of these Financial Statements on behalf of Biovail and thereby acquiesced in their release to the public. Crombie acknowledges that he ought to have been more careful in considering the recognition of revenue for the sale of the Specified Tablets. Specifically, he ought to have made further inquiries or ensured that Biovail sought further guidance from a qualified accounting professional concerning this arrangement prior to the completion and release to the public of Biovail's Q2 2003 Financial Statements. He therefore now acknowledges that he acquiesced in conduct by Biovail that was a violation of Ontario securities law and, by his conduct, acted contrary to the public interest.

Biovail's Statements in Press Releases – the Truck Accident

27. Biovail has admitted in the Biovail Settlement Agreement that Biovail made statements in press releases issued on October 3, 8 and 30, 2003 and March 3, 2004 that, in a material respect, inaccurately disclosed the implications, for Biovail, of a truck accident that occurred on October 1, 2003.

28. The press releases concerned Biovail's disclosure that its preliminary financial results for its third quarter of 2003 would be below previously issued guidance. Full particulars are contained in the Biovail Settlement Agreement. A description of the statements is outlined below.

(a) Biovail's Revenue and Earnings Expectations

29. On February 7, 2003, Biovail publicly disclosed in a press release its revenue and earnings guidance for 2003. The revenue range projected for the third quarter of 2003 was U.S.$260 million to U.S.$300 million.

30. Biovail did not achieve its third quarter 2003 revenue and earnings expectations. Rather, in its October 30, 2003 press release, Biovail reported U.S. $215.3 million in revenue for that quarter.

(b) The October 3, 2003 Press Release

31. In a press release issued on October 3, 2003 (the "October 3, 2003 Press Release"), Biovail stated that its preliminary results for its 2003 third quarter "will be below previously issued guidance ... Contributing significantly to this unfavourable variance was the loss of revenue and income associated with a significant in-transit shipment loss of Wellbutrin XL as a result of a traffic accident ... Revenue associated with this shipment is in the range of [U.S.] $10 to [U.S.] $20 million".

32. A truck carrying WXL tablets, destined for GSK's facility in the United States, departed from Biovail's warehouse in Steinbach, Manitoba on September 30, 2003.

33. The contractual delivery term between Biovail and GSK was "F.O.B., GSK's facilities in the U.S.A. (freight collect)." This meant that the contractual delivery term only entitled Biovail to recognize the revenue associated with the shipment once it reached GSK's facilities.

34. The truck carrying the WXL shipment was scheduled to reach GSK's facility after September 30, 2003.

35. On October 1, 2003, the truck carrying the WXL shipment was involved in an accident.

36. The October 3, 2003 Press Release also stated that "[r]evenue associated with the [WXL] shipment was in the range of [U.S.] $10 million to [U.S.] $20 million". Biovail later stated in a March 3, 2004 press release (the "March 3, 2004 Press Release"), discussed below, that the "actual revenue loss" from the shipment on the truck was U.S. $5 million.

(c) The October 8, 2003 Press Release

37. On October 8, 2003, Biovail issued a further press release (the "October 8, 2003 Press Release") which stated that Biovail had recovered the WXL shipment involved in the accident and that 60 percent of the shipment was saleable and might be re-shipped within 30 days. The press release went on to state "Biovail re-confirms that the sales value of these goods is within previously stated guidance".

(d) The October 30, 2003 Press Release

38. In its earnings press release for the third quarter of 2003 issued on October 30, 2003 (the "October 30, 2003 Press Release"), Biovail stated that "[a] late third quarter 2003 shipment of Wellbutrin XL involved in an accident outside of Chicago was returned to Biovail's facility on October 8, 2003 for inspection. No revenue was recognized from this shipment in Q3 2003."

(e) The March 3, 2004 Press Release

39. The March 3, 2004 Press Release stated that "Biovail announced [on October 3, 2003] that its estimated revenue from Wellbutrin XL for third quarter 2003 would be less than [U.S.] $10 million partially as a result of the truck accident and that the loss in revenue due to the accident would be in the range of [U.S.] $10.0 million to [U.S.] $20.0 million". The March 3, 2004 Press Release further stated that "the actual revenue loss from the accident was determined to be [U.S.] $5.0 million".

(f) October 3, 2003 Analyst Call

40. Biovail held a conference call with analysts and a webcast on October 3, 2003 following the release of the October 3, 2003 Press Release (the "October 3, 2003 Analyst Call"). During the October 3, 2003 Analyst Call, Biovail stated that the accident would have a material negative financial impact on its third quarter revenues. Biovail further stated that the negative impact of the truck accident on revenue would be in the range of U.S. $15 million to U.S. $20 million.

41. During the October 3, 2003 Analyst Call, an analyst questioned whether the accident would have fourth quarter rather than third quarter implications. Biovail responded that it was purely a third quarter issue.

(g) October 2003 Investor Meetings

42. In October 2003, Biovail held a series of meetings with investors to, among other things, deal with questions surrounding the truck accident and the related announcements that followed (the "Investor Meetings"). The Investor Meetings took place in various cities on October 10, 13, 14 and 15 of 2003.

43. Specifically, the presentation materials included a slide with the heading "Revised third quarter guidance" which stated "Revenue and EPS effected (sic) by three items[:] 1. Wellbutrin XL shipment / traffic accident ... ". Another slide entitled "Wellbutrin XL - timing issue" stated "Impact to Q3 ... Revenue [U.S.] $10 to [U.S.] $20 million".

44. In the Biovail Settlement Agreement, Biovail admitted that it had disseminated incorrect statements in the Press Releases of October 3, 8 and 30, 2003 and March 3, 2004, in the Analyst Call held on October 3, 2003, and in Investor Meetings held in October 2003 relating to the truck accident. In particular, Biovail admitted, that regardless of the truck accident, it would not have been able to recognize the revenue associated with the shipment until its fourth quarter. It also admitted that the value attributed to the WXL shipment (U.S. $10 to U.S. $20 million) was materially in error. Biovail admitted that it should have taken greater care, from the outset, to accurately assess the revenue associated

with the product on the truck, and to accurately assess whether, but for the accident, it would have been able to recognize revenue from the sale of the product on the truck in Q3 2003. Finally, Biovail admitted that it should have clearly disclosed, at the earliest opportunity, that previous statements suggesting that the truck accident was one of the reasons for the Q3 earnings miss, and that the revenue associated with the product on the truck was between U.S. $10 million and U.S. $20 million were incorrect. Biovail admitted that in so doing it violated Ontario securities law and engaged in conduct contrary to the public interest.

(h) Crombie's Role in Relation to Press Releases and Statements in Issue

45. As Chief Financial Officer of Biovail, Crombie played a leading role in the preparation and drafting of the press releases in issue, including being the person to provide the estimate as to the range of revenue loss in the October 3, 2003 Press Release. Final approval of the press releases was, however, made by the Chief Executive Officer. Crombie was also a participant in the October 3, 2003 Analyst Call and provided the estimate as to the range of revenue loss in the call. He also attended the October 2003 Investor Meetings as a member of Biovail's senior management.

46. Crombie should have taken greater care to ensure that the correct information was disseminated to the investing public and that this was done in a timely fashion. Therefore, he now acknowledges that he acquiesced in conduct by Biovail that was a violation of Ontario securities law and, by his conduct, acted contrary to the public interest.

(i) Misleading Information Provided to OSC Staff during Continuous Disclosure Review

47. During a continuous disclosure review of Biovail conducted by OSC Staff in 2003 and 2004, Staff requested information from Biovail in relation to several issues, including arrangements between Biovail and Pharmaceutical Technologies Corporation ("PTC").

48. A letter to Staff from Biovail dated January 28, 2003 (the "January 28th Letter") contained the following statement: "[n]one of Biovail, nor any of its affiliates, directors or officers were involved in the formation of [PTC]". In the Biovail Settlement Agreement, Biovail admitted that this statement was materially inaccurate. Biovail further admitted that, by making this statement, it violated Ontario securities law and engaged in conduct contrary to the public interest.

49. Crombie participated in the drafting of the January 28th Letter and signed it on behalf of Biovail. He should have taken greater care to ensure that the letter did not contain an inaccurate statement. Therefore, he now acknowledges that, by his conduct, he acted contrary to the public interest.

(j) Mitigating Factors

50. Crombie states that he acted in good faith.

51. Crombie further states that at all times, his intention was to ensure that news of Biovail's unfavourable earnings variance be communicated to the public in a timely fashion.

V. TERMS OF SETTLEMENT

52. Crombie agrees to the terms of settlement listed below. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:

(a) the Settlement Agreement be approved;

(b) Crombie be reprimanded;

(c) Crombie be prohibited from becoming or acting as an officer or director of a reporting issuer for a period of eight (8) years from the date of approval of the Settlement Agreement;

(d) Crombie will cooperate with the Commission and Staff in this matter and will appear and testify at the hearing in this matter if requested by Staff;

(e) Crombie shall pay an administrative penalty of CAN$250,000, to be paid for the benefit of third parties designated by the Commission pursuant to section 3.4(2) of the Act; and

(f) Crombie shall pay the sum of CAN$50,000 in respect of a portion of the costs of the investigation and hearing in relation to this matter.

VI. STAFF COMMITMENT

53. If the Commission approves this Settlement Agreement, Staff will not commence any proceedings against Crombie under Ontario securities law in relation to the facts alleged in the Notice of Hearing.

54. If the Commission approves this Settlement Agreement and Crombie fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against Crombie. These proceedings may be based on, but are not limited to, the facts alleged in the Notice of Hearing as well as the breach of the Settlement Agreement.

VII. PROCEDURE FOR APPROVAL OF SETTLEMENT

55. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

56. Staff and Crombie agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing, unless the parties agree that additional facts should be submitted at the settlement hearing.

57. If the Commission approves this Settlement Agreement, Crombie agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

58. If the Commission approves this Settlement Agreement, Crombie will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing provided however, that Crombie shall not be prohibited from making any statement or argument in the proceeding issued by the United States Securities and Exchange Commission involving similar issues to those raised in this proceeding.

59. Whether or not the Commission approves this Settlement Agreement, Crombie will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

VIII. DISCLOSURE OF SETTLEMENT AGREEMENT

60. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

    (i) this Settlement Agreement and all discussions and negotiations between Staff and Crombie before the settlement hearing takes place will be without prejudice to Staff and Crombie; and

    (ii) Staff and Crombie will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

61. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

IX. EXECUTION OF SETTLEMENT AGREEMENT

62. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

63. A fax copy of any signature will be treated as an original signature.

Dated this 9th day of February, 2009”

“Paul Le Vay”	“Brian H. Crombie”
Witness	Brian H. Crombie

Dated this 10th day of February, 2009

"Peggy Dowdall-Logie"
Staff of the Ontario Securities Commission
Per: Peggy Dowdall-Logie
Executive Director

SCHEDULE "A" – DRAFT ORDER

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

ORDER
(Sections 127 and 127.1)

WHEREAS on March 24, 2008 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and related Statement of Allegations (the "Notice of Hearing") against Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling ("Howling");

AND WHEREAS Crombie has entered a settlement agreement with Staff of the Commission dated February ____, 2009 (the "Settlement Agreement") in relation to the matters set out in the Notice of Hearing;

UPON reviewing the Notice of Hearing and Settlement Agreement, and upon hearing submissions from counsel for Crombie and for Staff of the Commission;

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 is approved.

2. Crombie is reprimanded.

3. Crombie is prohibited from becoming or acting as a director or officer of a reporting issuer for a period of eight (8) years from the date of this Order.

4. Crombie shall cooperate with the Commission and Staff in this matter and shall appear and testify at the hearing in this matter if requested by Staff;

5. Crombie shall pay an administrative penalty of CAN $250,000, to be paid to or for the benefit of third parties designated by the Commission, pursuant to section 3.4(2) of the Act.

6. Crombie shall pay CAN$50,000 in respect of a portion of the costs of the investigation and hearing in relation to this matter.

Dated at Toronto this day of February, 2009

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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
Sniper Resources Ltd.	04 Feb 09	17 Feb 09		18 Feb 09
Ignition Point Technologies Corp.	04 Feb 09	17 Feb 09	17 Feb 09	
McLaren Resources Inc.	04 Feb 09	17 Feb 09	17 Feb 09	

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
Coalcorp Mining Inc.	18 Feb 09	03 Mar 09			

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		
Brainhunter Inc.	28 Jan 09	10 Feb 09	10 Feb 09		
Name Inc.	27 Jan 09	06 Feb 09	06 Feb 09		

Editor's Note: Name Inc. is the actual name of the issuer, not a spelling error.

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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
01/29/2009	2	2077406 Ontario Inc. - Units	4,000,020.00	133,334.00
03/31/2008 to 12/18/2008	21	Aquilon Premium Value Partnership - Units	10,996,795.12	27,126.56
02/02/2009	1	Capital Direct I Income Trust - Trust Units	35,000.00	3,500.00
02/02/2009 to 02/06/2009	6	Cedar II Mortgage Corporation - Common Shares	322,922.00	322,922.00
01/29/2009	1	Century Aluminum Company - Common Shares	1,647,000.00	300,000.00
01/30/2009	15	Chalice Diamond Corp. - Flow-Through Units	363,800.00	8,084,444.00
01/29/2009	7	Chalice Diamond Corp. - Non-Flow Through Units	64,647.00	1,748,598.00
01/30/2009 to 02/05/2009	24	First Leaside Fund - Trust Units	418,555.00	413,660.00
01/30/2009 to 02/04/2009	9	First Leaside Fund - Trust Units	120,911.00	120,911.00
02/05/2009	1	First Leaside Fund - Trust Units	2,534.53	2,060.00
02/03/2009	1	First Leaside Premier Limited Partnership - Limited Partnership Interest	62,000.00	49,501.00
02/03/2009	1	First Leaside Progressive Limited Partnership - Limited Partnership Interest	50,000.00	50,000.00
01/26/2009	62	Full Metal Minerals Ltd. - Common Shares	1,604,700.00	10,698,000.00
02/03/2009	2	Global Emissions Systems Inc. - Common Shares	500,000.00	1,666,666.00
02/03/2009	22	Hudson Resources Inc. - Units	552,000.00	5,520,000.00
02/06/2009	9	KBP Capital Corp. - Bonds	208,000.00	2,080.00
02/06/2009	9	Keystone Business Park Inc. - Common Shares	208.00	2,080.00
02/05/2009	26	Largo Resources Ltd. - Common Shares	2,469,169.26	41,152,827.00
01/01/2008 to 07/18/2008	1	LifePoints 2010 Portfolio (Class A) - Units	203,252.98	1,828.38
01/01/2008 to 07/18/2008	2	LifePoints 2020 Portfolio (Class A) - Units	1,568,028.28	14,587.25
01/01/2008 to 07/18/2008	2	LifePoints 2030 Portfolio (Class A) - Units	246,012.71	2,287.67

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2008 to 07/18/2008	4	LifePoints All Equity Portfolio (Class A) - Units	2,538,684.67	26,162.63
01/01/2008 to 07/18/2008	10	LifePoints Balanced Growth Portfolio (Class A) - Units	63,253,492.03	582,028.72
01/01/2008 to 07/18/2008	10	LifePoints Balanced Income Portfolio (Class A) - Units	27,108,589.04	250,706.90
01/01/2008 to 07/18/2008	8	LifePoints Long-Term Growth Portfolio (Class) - Units	28,723,535.34	236,198.16
02/04/2009	2	Liquidation World Inc. - Common Shares	7,600,000.00	7,600,000.00
02/02/2009	2	Magenta Mortgage Investment Corporation - Common Shares	60,000.00	60,000.00
01/01/2008 to 12/31/2008	1	Manulife Canadian Core Fund - Units	45,337,659.59	3,182,961.47
01/01/2008 to 12/31/2008	1	Manulife Canadian Equity Fund - Units	138,674,674.25	15,893,419.95
01/01/2008 to 12/31/2008	1	Manulife Canadian Value Fund - Units	25,361,180.28	1,628,070.28
01/01/2008 to 12/31/2008	1	Manulife Core Balanced Fund - Units	83,302,393.14	8,076,320.45
01/01/2008 to 12/31/2008	1	Manulife Corporate Bond Fund - Units	4,851,043.72	639,984.33
01/01/2008 to 12/31/2008	1	Manulife Dividend Fund - Units	89,308,136.07	6,220,037.49
01/01/2008 to 12/31/2008	1	Manulife Global Dividend Fund - Units	2,088,364.59	229,403.21
01/01/2008 to 12/31/2008	1	Manulife Global Monthly Income Fund - Units	23,522,893.36	2,857,954.82
01/01/2008 to 12/31/2008	1	Manulife Global Real Estate Fund - Units	1,172,084.32	178,555.86
01/01/2008 to 12/31/2008	1	Manulife Growth Opportunities Fund - Units	26,831,277.18	782,872.37
01/01/2008 to 12/31/2008	1	Manulife Mawer Diversified Investment Fund - Units	138,674,674.25	15,893,419.95
01/01/2008 to 12/31/2008	1	Manulife Mawer Global Small Cap Fund - Units	172,767.57	21,627.22
01/01/2008 to 12/31/2008	1	Manulife Mawer U.S. Equity Fund - Units	81,558,198.51	9,428,067.69
01/01/2008 to 12/31/2008	1	Manulife Money Fund - Units	198,745,960.71	19,874,596.07
01/01/2008 to 12/31/2008	1	Manulife Monthly High Income Fund - Units	335,737,604.78	20,208,524.80
01/01/2008 to 12/31/2008	1	Manulife Real Return Strategy Fund - Units	3,904,613.00	465,813.34

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2008 to 12/31/2008	1	Manulife Sector Rotation Fund - Units	6,733,570.45	434,517.90
01/01/2008 to 12/31/2008	1	Manulife Simplicity Conservative Portfolio - Units	43,382,430.24	4,420,596.29
01/01/2008 to 12/31/2008	1	Manulife Simplicity Aggressive Portfolio - Units	1,212,675.62	121,971.89
01/01/2008 to 12/31/2008	1	Manulife Simplicity Balanced Portfolio - Units	243,379,795.44	27,122,622.21
01/01/2008 to 12/31/2008	1	Manulife Simplicity Global Balanced Portfolio - Units	56,735,198.60	5,511,359.37
01/01/2008 to 12/31/2008	1	Manulife Simplicity Growth Portfolio - Units	305,360,759.58	25,936,184.07
01/01/2008 to 10/20/2008	1	Manulife Simplicity Growth Portfolio Pooled Fund - Units	18,747,296.80	2,046,072.09
01/01/2008 to 12/31/2008	1	Manulife Simplicity Income Portfolio - Units	45,403,558.38	5,126,435.95
01/01/2008 to 12/31/2008	1	Manulife Simplicity Moderate Portfolio - Units	46,072,479.83	4,715,644.37
01/01/2008 to 12/31/2008	1	Manulife Strategic Income Fund - Units	4,284,056.30	4,284,056.30
01/01/2008 to 12/31/2008	1	Manulife Tax-Managed Growth Fund - Units	2,506,811.50	207,440.31
01/01/2008 to 12/31/2008	1	Manulife U.S. Core Fund - Units	960,709.81	81,935.59
01/01/2008 to 12/31/2008	1	Manulife U.S. Mid-Cap Fund - Units	5,335,797.27	488,442.25
01/01/2008 to 12/31/2008	1	Manulife U.S. Value Fund - Units	991,465.38	146,703.13
01/30/2008 to 12/31/2008	2	MFC Global Investment Management EAFE Pooled Fund - Units	5,687,528.83	716,757.86
01/01/2008 to 12/31/2008	1	MFC Global Investment Management Pooled Canadian Active Long Bond Fund - Units	5,279,370.99	548,996.52
01/01/2008 to 12/31/2008	1	MFC Global Investment Management Pooled Canadian Active Universe Fund - Units	4,237,386.00	437,407.60
01/01/2008 to 12/30/2008	2	MFC Global Investment Management Pooled Canadian Bond Index Fund - Units	21,438,153.79	2,075,974.86
01/01/2008 to 12/31/2008	2	MFC Global Investment Management Pooled Canadian Equity Passive Fund - Units	8,304,856.88	897,933.98
06/01/2008 to 12/31/2008	2	MFC Global Investment Management Pooled Canadian Large Cap Growth Fund - Units	11,680,849.91	1,870,052.56

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
12/08/2008 to 12/31/2008	2	MFC Global Investment Management Pooled Canadian Universe Core Plus Bond Fund - Units	25,988,819.32	2,158,147.50
01/16/2008 to 12/31/2008	1	MFC Global Investment Management Pooled Canadian Value Equity Fund - Units	27,397.09	73,778.58
06/01/2008 to 12/30/2008	1	MFC Global Investment Management Pooled CND Large Cap Core fund - Units	1,198,832.44	195,252.67
01/01/2008 to 12/31/2008	2	MFC Global Investment Management Pooled Diversified Fund - Units	64,641,900.15	21,075,994.96
06/04/2008 to 12/31/2008	1	MFC Global Investment Management Pooled Diversified Pension Fund - Units	17,204,427.81	1,760,067.94
08/06/2008 to 08/07/2008	2	MFC Global Investment Management Pooled Japanese Value Equity Fund - Units	8,205,006.78	1,284,443.41
01/01/2008 to 12/31/2008	4	MFC Global Investment Management Pooled Money Market Fund - Units	55,187.00	8,441.40
01/01/2008 to 12/31/2008	1	MFC Global Investment Management Pooled U.S. Large Cap core Fund - Units	9,329,941.36	1,704,157.12
01/30/2008 to 12/29/2008	1	MFC Global Investment Management Pooled U.S. Large Cap Fund - Units	9,774,184.96	112,263.87
02/01/2008 to 12/31/2008	1	MFC Global Investment Management Pooled U.S. Large Cap Value Fund - Units	1,180,383.04	151,125.38
06/01/2008 to 12/31/2008	2	MFC Global Investment Management Pooled U.S. Mid Cap Fund - Units	677,061.52	97,218.84
01/01/2008 to 12/31/2008	2	MFC Global Investment Management Pooled U.S. Passive Equity Fund - Units	550,490.75	123,843.43
01/27/2009	1	New Solutions Financial (II) Corporation - Debentures	260,000.00	1.00
01/19/2009 to 01/29/2009	4	North American Minerals Group Inc. - Common Shares	130,000.00	2,500,000.00
01/29/2009 to 02/05/2009	10	Parmasters Golf Training Centers, Inc. - Common Shares	161,412.00	264,200.00
02/03/2009	2	Petroleos Mexicanos - Notes	6,000,000.00	6,000,000.00
09/29/2008	2	Platinum Lands Registered Investments Corp. - Common Shares	82.00	820.00
09/10/2008	1	Platinum Lands Registered Investments Corp. - Common Shares	20.20	202.00
08/26/2008 to 08/27/2008	3	Platinum Lands Registered Investments Corp. - Common Shares	160.50	1,605.00
08/12/2008 to 08/20/2008	2	Platinum Lands Registered Investments Corp. - Common Shares	93.00	930.00
07/31/2008	3	Platinum Lands Registered Investments Corp. - Common Shares	94.00	940.00
07/17/2008 to 07/18/2008	2	Platinum Lands Registered Investments Corp. - Common Shares	60.00	600.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/07/2008 to 07/10/2008	2	Platinum Lands Registered Investments Corp. - Common Shares	45.00	450.00
06/27/2008	2	Platinum Lands Registered Investments Corp. - Common Shares	84.80	848.00
06/05/2008	1	Platinum Lands Registered Investments Corp. - Common Shares	25.00	250.00
04/15/2008 to 04/16/2008	3	Platinum Lands Registered Investments Corp. - Common Shares	54.70	547.00
10/18/2007	1	Platinum Lands Registered Investments Corp. - Common Shares	17.00	170.00
01/29/2009	1	Prince of Wales Development Corporation - Common Shares	100.00	1,000.00
01/26/2009 to 01/28/2009	5	Redux Duncan City Centre Limited Partnership - Limited Partnership Units	207,000.00	80,000.00
01/01/2008 to 07/18/2008	20	Russell Canadian Equity Fund (Class A) - Units	32,781,688.98	146,335.09
01/01/2008 to 07/18/2008	22	Russell Canadian Fixed Income Fund (Class A) - Units	44,481,867.90	390,738.97
01/01/2008 to 07/18/2008	5	Russell Global Equity Fund (Class A) - Units	1,172,092.84	11,484.19
01/01/2008 to 07/18/2008	24	Russell Overseas Equity Fund (Class A) - Units	67,811,666.44	671,431.88
01/01/2008 to 07/18/2008	23	Russell US Equity Fund (Class A) - Units	26,536,722.88	269,526.37
01/29/2009	1	Sitefinders Capital 9 Corporation - Bonds	100,000.00	1,000.00
01/30/2009 to 02/09/2009	11	Skyline Apartment Real Estate Investment Trust - Units	734,294.00	66,754,000.00
02/05/2009	1	Spartan BioScience Inc. - Common Shares	1,348,010.96	2,270.23
01/29/2009	1	Special Notes Limited Partnership - Limited Partnership Interest	28,700.00	28,700.00
02/02/2009	63	Walton GA Arcade Meadows 1 Investment Corporation - Common Shares	1,592,940.00	159,294.00
02/02/2009	5	Walton GA Arcade Meadows Limited Partnership 1 - Limited Partnership Units	1,773,029.52	142,756.00
01/30/2009	34	Walton Income 1 Investment Corporation - Common Shares	17,500.00	3,500.00
01/30/2009	34	Walton Income 1 Investment Corporation - Notes	1,262,000.00	1,279,500.00
01/26/2009	31	Walton TX Amble Way Investment Corporation - Units	483,480.00	48,348.00
01/26/2009	6	Walton TX Amble Way Limited Partnership - Limited Partnership Units	355,405.73	28,565.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
BMO Canadian Equity ETF
BMO Canadian Government Bond ETF
BMO Dow Jones Industrial Average ETF
BMO Emerging Markets Equity ETF
BMO Global Infrastructure ETF
BMO International Equity ETF
BMO US Equity ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 11, 2009
NP 11-202 Receipt dated February 12, 2009
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Jones Heward Investment Counsel Inc.
Project #1373984

Issuer Name:
Caldwell High Income Equity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated February 11, 2009
NP 11-202 Receipt dated February 12, 2009
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Caldwell Securities Ltd.
Promoter(s):
-
Project #1373979

Issuer Name:
Canadian Western Bank
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 11, 2009
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
$65,000,000.00 - 2,600,000 Preferred Units Price: $25.00 per Preferred Unit
Underwriter(s) or Distributor(s):
Genuity Capital Markets
National Bank Financial Inc.
Cormark Securities Inc.
GMP Securities L.P.
Desjardins Securities Inc.
Promoter(s):
-
Project #1373776

Issuer Name:
COM DEV International Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 11, 2009
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
$20,001,000.00 - 6,780,000 Common Shares Price - $2.95 per Common Share
Underwriter(s) or Distributor(s):
Genuity Capital Markets
GMP Securities L.P.
Paradigm Capital Inc.
Promoter(s):
-
Project #1373823

Issuer Name:
Exeter Resource Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 11, 2009
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
$25,200,000.00 - 10,500,000 Common Shares Price: $2.40 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #1373805

Issuer Name:
IMAX Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated February 13, 2009
NP 11-202 Receipt dated February 17, 2009
Offering Price and Description:
$250,000,000.00
Debt Securities
Preferred Shares
Common Shares
Warrants
Stock Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1374955

Issuer Name:
Jaguar Mining Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 11, 2009
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
$ * - * Common Shares Price - $ * per Offered Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Blackmont Capital Inc.
TD Securities Inc.
M Partners Inc.
Promoter(s):
-
Project #1373870

Issuer Name:
Jaguar Mining Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated February 12, 2009
NP 11-202 Receipt dated February 12, 2009
Offering Price and Description:
$75,020,000.00 - 12,100,000 Common Shares Price: $6.20 per Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Blackmont Capital Inc.
TD Securities Inc.
M Partners Inc.
Promoter(s):
-
Project #1373870

Issuer Name:
JBZ Capital Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated February 13, 2009
NP 11-202 Receipt dated February 17, 2009
Offering Price and Description:
Minimum Offering - $250,000.00 or 2,500,000 Common Shares; Maximum Offering - $500,000.00 or 5,000,000 Common Shares Price - $0.10 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Conor Pacific Canada Inc.
Project #1375340

Issuer Name:
Manulife Financial Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated February 13, 2009
NP 11-202 Receipt dated February 17, 2009
Offering Price and Description:
$10,000,000,000.00
Debt Securities
Class A Shares
Class B Shares
Common Shares
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1374826

Issuer Name:
Manulife Financial Corporation
Type and Date:
Preliminary Base Shelf Prospectus dated February 13, 2009
Receipted on February 17, 2009
Offering Price and Description:
US $1,000,000,000.00
Debt Securities
Class A Shares
Class B Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1374855

Issuer Name:
Mavrix Explore 2009 - I FT Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 13, 2009
NP 11-202 Receipt dated February 17, 2009
Offering Price and Description:
Offering of Limited Partnership Units
Maximum offering: $30,000,000.00 (3,000,000 Units)
Minimum offering: $3,000,000.00 (300,000 Units)
Minimum Subscription: 250 Units Subscription Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Dundee Securities Corporation
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Desjardins Securities Inc.
M Partners Inc.
Wellington West Capital Markets Inc.
Industrial Alliance Securities Inc.
Queensabury Securities Inc.
Research Capital Corporation
Promoter(s):
Mavrix Explore 2009 - I FT Management Limited
Mavrix Fund Management Inc.
Project #1375458

Issuer Name:
Silver Standard Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated February 10, 2009
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
US$150,000,000.00 - * Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1373651

Issuer Name:
Taiga Building Products Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 12, 2009
NP 11-202 Receipt dated February 13, 2009
Offering Price and Description:
$10,000,000.00 - * Rights to purchase Common Shares at a purchase price of $ * per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1374577

Issuer Name:
Qwest Energy 2009 Flow-Through Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated February 13, 2009
NP 11-202 Receipt dated February 17, 2009
Offering Price and Description:
Maximum Offering: $30,000,000.00 (1,200,000 Units);
Minimum Offering: $5,000,000.00 (200,000 Units) Price: $25 per Unit Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Manulife Securities Inc.
Raymond James Ltd.
Wellington West Capital Markets Inc.
Desjardins Securities Inc.
Promoter(s):
Qwest Investment Management Corp.
Project #1375653

Issuer Name:
Allen-Vanguard Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 10, 2009
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
$100,000,000.00 - Offering of 109,195,862 Rights to Subscribe for up to 350,877,193 Subscription Receipts each Right entitles the Holder thereof to Acquire 3.2133 Subscription Receipts at a Price of $0.285 per Subscription Receipt each whole Subscription Receipt representing the right to receive one Common Share $0.285 per Subscription Receipt (upon exercise of 109,195,862 Rights)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1368424

Issuer Name:
Armtec Infrastructure Income Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 13, 2009
NP 11-202 Receipt dated February 13, 2009
Offering Price and Description:
$50,055,000.00 - 2,820,000 Units Price: $17.75 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Capital Corporation
CIBC World Markets Inc.
National Bank Financial Inc.
M Partners Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1372559

Issuer Name:
Breaker Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated February 11, 2009
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
$15,005,200.00 - 4,660,000 Class A Shares Price: $3.22 per Class A Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
FirstEnergy Capital Corp.
Wellington West Capital Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
Tristone Capital Inc.
Promoter(s):
-
Project #1371962

Issuer Name:
CI Financial Corp.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated February 9, 2009
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
$1,000,000,000 .00:
Debt Securities (subordinated indebtedness)
Subscription Receipts
Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1370510

Issuer Name:
ECU Silver Mining Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated February 12, 2009
NP 11-202 Receipt dated February 12, 2009
Offering Price and Description:
$17,500,000.00 - 25,000,000 Subscription Receipts Price: $0.70 per Subscription Receipt
Underwriter(s) or Distributor(s):
Blackmont Securities
TD Securities Inc.
Promoter(s):
-
Project #1371295

Issuer Name:
ING Canada Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 12, 2009
NP 11-202 Receipt dated February 12, 2009
Offering Price and Description:
$1,258,421,192.00 - 47,757,920 Common Shares Price: $26.35 per Offered Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Merrill Lynch Canada Inc.
Genuity Capital Markets
Promoter(s):
-
Project #1372156

Issuer Name:
Investor Series Units and B-Series Units of:
Saxon Money Market Fund
Investor Series Units, B-Series Units, Advisor Series Units and F-Series Units of:
Saxon Bond Fund
Saxon Balanced Fund
Saxon High Income Fund
Saxon Stock Fund
Saxon Small Cap
Saxon Microcap Fund
Saxon U.S. Equity Fund
Saxon U.S. Small Cap Fund
Saxon International Equity Fund
Saxon World Growth
Saxon Global Small Cap Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated February 5, 2009 to the Simplified Prospectuses and Annual Information Forms dated May 9, 2008
NP 11-202 Receipt dated February 11, 2009
Offering Price and Description:
Investor Series Units, B-Series Units, Advisor Series Units and F-Series Units @ Net Asset Value
Underwriter(s) or Distributor(s):
MD Management Limited
Promoter(s):
Saxon Fund Management Limited
Project #1243849

Issuer Name:
THE GOODWOOD CAPITAL FUND
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form (NI 81-101) dated February 13, 2009
NP 11-202 Receipt dated February 17, 2009
Offering Price and Description:
Mutual Fund Securities at Net Asset Value
Underwriter(s) or Distributor(s):
Goodwood Inc.
Promoter(s):
-
Project #1360613

Issuer Name:
BFI Canada Ltd.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated October 17, 2008
Withdrawn on February 13, 2009
Offering Price and Description:
US $500,000,000
Common Shares
Debt Securities
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1331926

Issuer Name:
Watt Carmichael Opportunity Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Simplified Prospectus and Annual Information Form dated May 16, 2006
Closed on February 11, 2009
Offering Price and Description:
Class A, F and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Watt Carmichael Inc.
Project #941199

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Fulcra Asset Management Inc.	Investment Counsel and Portfolio Manager	February 10, 2009
New Registration	BSM Capital Corporation	Limited Market Dealer	February 12, 2009
New Registration	Roth Capital Partners, LLC	International Dealer	February 13, 2009
New Registration	Dexia Asset Management Luxembourg S.A.	International Adviser and Limited Market Dealer	February 17, 2009
New Registration	Broadview Capital Management Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager	February 18, 2009

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Chapter 25

Other Information

25.1 Consents

25.1.1 T S Telecom Ltd. – s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the laws of British Columbia

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, O. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
THE REGULATION MADE UNDER
THE BUSINESS CORPORATIONS ACT
(ONTARIO), R.S.O. 1990, c. B-16, AS AMENDED
(the "OBCA"), R.R.O. 1990, REGULATION 289/00
(the "Regulation")

AND

IN THE MATTER OF
T S TELECOM LTD.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of T S Telecom Ltd. (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission to continue in another jurisdiction pursuant to subsection 4(b) of the Regulation;

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 a corporation originally incorporated under the British Columbia *Business Corporations Act* on May 7, 1984 and continued under the provisions of the OBCA on January 22, 1996. The registered office of the Applicant is located at 180 Amber Street, Markham, ON, L3R 3J8;

2. The Applicant is proposing to submit an application to the Director under the OBCA for authorization to continue in another jurisdiction pursuant to section 181 of the OBCA (the "Application for Continuance");

3. Pursuant to subsection 4(b) of the Regulation, where an applicant corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission;

4. The Applicant is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act* (Ontario) (the "Securities Act"). The Applicant is a reporting issuer in Alberta and British Columbia. The securities of the Applicant are listed and posted under the symbol "TOM.H" on the NEX board of the TSX Venture Exchange and are not listed or quoted on any other market or exchange in Canada or elsewhere;

5. The Applicant is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. There are currently 21,990,005 common shares issued and outstanding;

6. The Applicant intends to remain a reporting issuer in Ontario;

7. The Applicant is not in default of any of the provisions of the Securities Act or the rules and regulations thereto;

8. The Applicant is not a party to any proceeding or to the best of its knowledge, information and belief, pending proceeding under the OBCA or under the Securities Act;

9. The Applicant's shareholders authorized the continuance of the Applicant as a corporation under the *Business Corporations Act* (British Columbia) (the "BC Act") by special resolution at a shareholders meeting held on November 17th, 2008. Shareholders holding 7,475,050 voted at the meeting with 7,441,050 votes cast in favour and 34,000 votes cast against either in person or by proxy representing approval of 99.5% of votes cast;

10. Pursuant to section 185 of the OBCA, all shareholders of record as of the record date for the meeting are entitled to dissent rights with respect to the application for continuance. The management information circular dated October

21, 2008 provided to shareholders in connection with the meeting, advised shareholders of the Applicant of their dissent rights;

11. The continuance under the BC Act has been proposed because most of the Applicant's business will be carried on in British Columbia ("BC"), and a large proportion of the shareholders live in BC. The Applicant now desires to be domiciled in a jurisdiction more relevant and appropriate to the Applicant's business and its shareholders; and

12. The Applicant's material rights, duties and obligations under the BC Act will be substantially similar to those under the OBCA.

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the BC Act.

DATED at Toronto, Ontario this 13th day of February, 2009.

"David L. Knight"
Commissioner
Ontario Securities Commission

"Paulette Kennedy"
Commissioner
Ontario Securities Commission

25.1.2 Welton Energy Corporation – s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (Alberta).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, O. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
THE REGULATION MADE UNDER
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA), ONT. REG. 289/00, AS AMENDED
(THE REGULATION)

AND

IN THE MATTER OF
WELTON ENERGY CORPORATION

CONSENT
(subsection 4(b) of the Regulation)

UPON the application of Welton Energy Corporation (the Applicant) to the Ontario Securities Commission (the Commission) requesting consent (the Request) from the Commission for the Applicant to continue into another jurisdiction (the Continuance), pursuant to subsection 4(b) of the Regulation;

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 was incorporated under the laws of Ontario on March 10, 2000. The registered office of the Applicant is located at 181 Bay Street, BCE Place, Suite 2930, Toronto, Ontario M5J 2T3 and the head office of the Applicant is located at 2180, 140 – 4th Avenue S.W., Calgary, Alberta T2P 3N3.

2. The Applicant intends to apply to the Director under the OBCA pursuant to section 181 of the OBCA (the Application for Continuance) for authorization to continue under the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9 (the ABCA).

3. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission.

4. The Applicant is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act* (Ontario) (the Act) and the securities legislation of each of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

5. The Applicant's issued and outstanding common shares are listed for trading on the Toronto Stock Exchange (TSX) under the symbol WLT and the Applicant's 8% convertible secured debentures are listed for trading on the TSX under the symbol WLT.DB.

6. The Applicant will remain a reporting issuer in Ontario and in the other jurisdictions where it is currently a reporting issuer immediately following the Continuance.

7. The Applicant is not in default under any provision of the Act or the regulations or rules made under the Act, and is not in default under the securities legislation of any other jurisdiction where it is a reporting issuer.

8. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act.

9. The Continuance is being made to facilitate a plan of arrangement under the ABCA between the Applicant and Churchill Energy Inc., a corporation incorporated under the ABCA.

10. The management information circular describing the Continuance (the Information Circular), dated December 29, 2008, was mailed to securityholders of record as at the close of business on December 29, 2008 and was filed on SEDAR on January 6, 2009.

11. The Application for Continuance was approved by the Applicant's shareholders by way of special resolution at a special meeting of shareholders (the Meeting) held on January 30, 2009. The special resolution authorizing the Continuance was approved at the Meeting by 99.3% of the votes cast by the Applicant's shareholders.

12. The shareholders had the right to dissent with respect to the Continuance under section 185 of the OBCA, and the Information Circular disclosed full particulars of this right in accordance with applicable law. No shareholders elected to dissent.

13. The material rights, duties and obligations of a corporation governed by the ABCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the ABCA.

DATED February 6th, 2009.

"Suresh Thakrar"

"Margot Howard"

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