

The Ontario Securities Commission

# OSC Bulletin

February 12, 2010

Volume 33, Issue 6

(2010), 33 OSCB

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

**The Ontario Securities Commission**

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Toronto, Ontario  
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Published under the authority of the Commission by:

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Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

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# Chapter 1

## Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

**FEBRUARY 15, 2010**

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

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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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David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

### SCHEDULED OSC HEARINGS

February 16, 2010		<b>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</b>
9:00 a.m.		

s. 127

S. Kushneryk in attendance for Staff

Panel: JEAT

February 17 – March 1, 2010		<b>M P Global Financial Ltd., and Joe Feng Deng</b>
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10:00 .m.

s. 127(1)

M. Britton in attendance for Staff

Panel: DLK/MCH

February 17, 2010		<b>Maple Leaf Investment Fund Corp. and Joe Henry Chau</b>
-------------------	--	--

10:00 a.m.

s. 127

J. Superina in attendance for Staff

Panel: TBA

February 22-24, 2010		<b>Barry Landen</b>
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10:00 a.m.

s. 127

H. Craig in attendance for Staff

Panel: TBA

February 25, 2010		<b>Tulsiani Investments Inc. and Sunil Tulsiani</b>
-------------------	--	---

10:00 a.m.

s. 127

J. Superina in attendance for Staff

Panel: JEAT

March 1, 2010 10:00 a.m.	<b>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</b>  s. 127 and 127.1  Y. Chisholm in attendance for Staff  Panel: PJJ/PLK	March 10, 2010 10:00 a.m.	<b>Global Energy Group, Ltd. And New Gold Limited Partnerships</b>  s. 127  H. Craig in attendance for Staff  Panel: TBA
March 1-8, 2010 10:00 a.m.	<b>Teodosio Vincent Pangia</b>  s. 127  J. Feasby in attendance for Staff  Panel: TBA	March 22, 2010 10:00 a.m.	<b>Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b>  s. 127  M. Britton/J.Feasby in attendance for Staff  Panel: JDC/KJK
March 3, 2010 10:00 a.m.	<b>Brillante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b>  s. 127  S. Horgan in attendance for Staff  Panel: TBA	March 22, 2010 10:00 a.m.	<b>Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk</b>  s. 37, 127 and 127.1  C. Price in attendance for Staff  Panel: CSP
March 5, 2010 10:00 a.m.	<b>Peter Robinson and Platinum International Investments Inc.</b>  s. 127  M. Boswell in attendance for Staff  Panel: DLK	March 22, 2010 2:30 p.m.	<b>Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya</b>  s. 127  C. Price in attendance for Staff  Panel: DLK
March 5, 2010 10:30 a.m.	<b>Uranium308 Resources Inc., Uranium308 Resources PLC., Michael Friedman, George Schwartz, Peter Robinson, Alan Marsh Shuman and Innovative Gifting Inc.</b>  s. 127  M. Boswell in attendance for Staff  Panel: DLK	March 25-26, 2010 10:00 a.m.	<b>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</b>  s. 127  H. Craig in attendance for Staff  Panel: TBA

March 25-26, 010 10:00 a.m.	<b>W.J.N. Holdings Inc., MSI Canada Inc., 360 Degree Financial Services Inc., Dominion Investments Club Inc., Leveragepro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Network Financial Group Inc., Network Marketing Solutions, Dominion Royal Credit Union, Dominion Royal Financial Inc., Wilton John Neale, Ezra Douse, Albert James, Elnonieth "Noni" James, David Whitely, Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Trudy Huynh, Dorlan Francis, Vincent Arthur, Christian Yeboah, Azucena Garcia, Angela Curry and Prosporex Forex SPV Trust</b>	May 3-28, 2010 10:00 a.m.	<b>Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork</b>
	s. 127		s. 127
	H. Daley in attendance for Staff		S. Kushneryk in attendance for Staff
	Panel: TBA		Panel: PJL/MCH
March 29; March 31 – April 1; April 6-9, 2010 10:00 a.m.	<b>Shane Suman and Monie Rahman</b>	May 31 – June 4, 2010 10:00 a.m.	<b>Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie</b>
	s. 127 and 127(1)		s.127(1) and (5)
	C. Price in attendance for Staff		J. Feasby in attendance for Staff
	Panel: JEAT/PLK		Panel: TBA
March 30, 2010 2:30 p.m. April 12, 2010 10:00 a.m.	<b>Abel Da Silva</b>	June 21, 2010 10:00 a.m.	<b>Rezwealth Financial Services Inc., Pamela Ramoutar, Chris Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc. and Sylvan Blackett</b>
	s. 127		s. 127(1) and (5)
	M. Boswell in attendance for Staff		A. Heydon in attendance for Staff
	Panel: DLK		Panel: TBA
April 13, 2010 2:30 p.m.	<b>Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver and David Rutledge, Steven M. Taylor and International Communication Strategies</b>	June 28, 2010 10:00 a.m.	<b>Shallow Oil &amp; Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman</b>
	s. 127		s. 127(7) and 127(8)
	M. Adams in attendance for Staff		M. Boswell in attendance for Staff
	Panel: TBA		Panel: TBA
		June 29, 2010 10:00 a.m.	<b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b>
			s. 127 and 127.1
			M. Britton in attendance for Staff
			Panel: TBA

July 9, 2010 10:00 a.m.	<b>Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, John C. McArthur, Daryl Renneberg and Danny De Melo</b>	TBA	<b>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown- Rodrigues)</b>
	s. 127		s. 127 and 127.1
	A. Clark in attendance for Staff		D. Ferris in attendance for Staff
	Panel: CSP		Panel: TBA
March 7, 2011 10:00 a.m.	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>	TBA	<b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b>
	s. 127		s. 127
	H. Craig in attendance for Staff		H. Craig in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Yama Abdullah Yaqeen</b>	TBA	<b>Gregory Galanis</b>
	s. 8(2)		s. 127
	J. Superina in attendance for Staff		P. Foy in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b>	TBA	<b>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</b>
	s. 127		s. 127
	J. Waechter in attendance for Staff		C. Price in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Frank Dunn, Douglas Beatty, Michael Gollogly</b>	TBA	<b>Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling</b>
	s. 127		s. 127(1) and 127.1
	K. Daniels in attendance for Staff		J. Superina, A. Clark in attendance for Staff
	Panel: TBA		Panel: TBA



TBA	<p><b>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</b></p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson</b></p> <p>s. 127(1) and 127(5)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries</b></p> <p>s. 127 and 127.1</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b></p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Coventree Inc., Geoffrey Cornish and Dean Tai</b></p> <p>s. 127</p> <p>J. Waechter in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony</b></p> <p>s. 127 and 127.1</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>IBK Capital Corp. and William F. White</b></p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Lehman Cohort Global Group Inc., Anton Schnedl, Richard Unzer, Alexander Grundmann and Henry Hehlsinger</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: JEAT/CSP/SA</p>
		TBA	<p><b>Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance</b></p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>

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Global Privacy Management Trust and Robert Cranston

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

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 Salvaggi, Stephen J. Shore and Chris Spinler

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

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson

Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjaints 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

**1.4 Notices from the Office of the Secretary**

**1.4.1 Uranium308 Resources Inc. et al.**

**FOR IMMEDIATE RELEASE  
February 4, 2010**

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

**AND**

**IN THE MATTER OF  
URANIUM308 RESOURCES INC.,  
URANIUM308 RESOURCES PLC.,  
MICHAEL FRIEDMAN, GEORGE SCHWARTZ,  
PETER ROBINSON, ALAN MARSH SHUMAN,  
AND INNOVATIVE GIFTING INC.**

**TORONTO** – The Commission issued an Order in the above named matter which provides that (1) pursuant to subsection 127(8) of the Act, the Temporary Order is extended until March 8, 2010; and (2) the hearing with respect to this matter is adjourned to March 5, 2010, at 10:30 a.m.

A copy of the Order dated February 3, 2010 is available at **[www.osc.gov.on.ca](http://www.osc.gov.on.ca)**.

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1-877-785-1555 (Toll Free)

**1.4.2 Peter Robinson and Platinum International Investments Inc.**

**FOR IMMEDIATE RELEASE  
February 4, 2010**

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

**AND**

**IN THE MATTER OF  
PETER ROBINSON AND  
PLATINUM INTERNATIONAL INVESTMENTS INC.**

**TORONTO** – Following a hearing held yesterday, the Commission issued an Order which provides that (1) pursuant to subsection 127(8) of the Act, the Temporary Cease Trade Order is extended until March 8, 2010; and (2) the hearing with respect to this matter is adjourned to March 5, 2010, at 10:00 a.m.

A copy of the Order dated February 3, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.3 Paladin Capital Markets Inc. et al.**

**FOR IMMEDIATE RELEASE  
February 4, 2010**

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

**AND**

**IN THE MATTER OF  
PALADIN CAPITAL MARKETS INC. ,  
JOHN DAVID CULP AND  
CLAUDIO FERNANDO MAYA**

**TORONTO** – Following a hearing held in the above noted matter, the Commission issued an Order which provides that (1) pursuant to sections 127(7) and 127(8), the Temporary Order is extended until March 23, 2010; and (2) The hearing is adjourned to March 22, 2010 at 2:00 p.m.

A copy of the Order dated February 2, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
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1-877-785-1555 (Toll Free)

**1.4.4 Paul Iannicca**

**FOR IMMEDIATE RELEASE  
February 4, 2010**

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

**AND**

**IN THE MATTER OF  
PAUL IANNICCA**

**TORONTO** – Following a hearing held yesterday, the Commission issued an Order which provides that the settlement hearing is to be continued on February 10, 2010 at 8:30 a.m. or such other date as is agreed by the parties and determined by the Office of the Secretary.

A copy of the Order dated February 3, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:

Wendy Dey  
Director, Communications & Public Affairs  
416-593-8120

Theresa Ebdon  
Senior Communications Specialist  
416-593-8307

Robert Merrick  
Senior Communications Specialist  
416-593-2315

For investor inquiries:

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

**1.4.5 Hillcorp International Services et al.**

**FOR IMMEDIATE RELEASE  
February 5, 2010**

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

**AND**

**IN THE MATTER OF  
HILLCORP INTERNATIONAL SERVICES,  
HILLCORP WEALTH MANAGEMENT,  
SUNCORP HOLDINGS, 1621852 ONTARIO LIMITED,  
STEVEN JOHN HILL, DARYL RENNEBERG AND  
DANNY DE MELO**

**TORONTO** – The Commission issued an Order with certain provisions. The Hearing is adjourned to Friday July 9, 2010 at 10:00 am.

A copy of the Order dated February 5, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.6 Paul Iannicca**

**FOR IMMEDIATE RELEASE  
February 10, 2010**

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

**AND**

**IN THE MATTER OF  
PAUL IANNICCA**

**TORONTO** – Following a hearing held today, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Paul Iannicca.

A copy of the Order dated February 10, 2010 and Settlement Agreement dated February 9, 2010 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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JOHN P. STEVENSON  
SECRETARY

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## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 Casimir Capital LP

##### Headnote

Exempt market dealer (EMD) acting as finder and financial advisor in connection with private placement of special warrants – EMD considered to have acted as underwriter in connection with private placement of special warrants based on consideration of definition of "underwriter", functions performed by EMD and compensation paid to EMD – preliminary prospectus filed to qualify distribution of securities underlying special warrants – special warrant transaction in substance a distribution of underlying securities under a prospectus – EMD therefore acting as underwriter in respect of distribution under a prospectus – EMDs not permitted to act as underwriter in respect of prospectus distribution absent exemptive relief – Exemptive relief to permit EMD to act as underwriter for prospectus distribution granted provided EMD signs the underwriter certificate in prospectus.

##### Legislation Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1) "underwriter", 25(2), 26(4), 74(1), 147.  
Companion Policy 41-101CP Companion Policy to National Instrument 41-101 General Prospectus Requirements, s. 2.8(2).

January 22, 2010

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

**IN THE MATTER OF  
CASIMIR CAPITAL LP  
(the Filer)**

**DECISION**

##### Background

The Ontario Securities Commission (the "**Commission**") has received an application from Casimir Capital LP ("**Casimir**") for an order pursuant to subsection 74(1) and section 147 of the *Securities Act* (Ontario) (the "**Act**") that Casimir be exempt from the restrictions contained in subsections 25(2) and 26(4) of the Act from acting as an underwriter in connection with the distribution of units of ECU Silver Mining Inc. ("**ECU Silver**") issuable upon the exercise or deemed exercise of outstanding special warrants of ECU Silver, such distribution to be qualified by the filing and issuance of a receipt for a preliminary short

form prospectus dated December 10, 2009 (the "**Preliminary Prospectus**") and a final short form prospectus expected to be filed on or about January 22, 2010 (the "**Prospectus**"), in Ontario and Quebec.

##### Representations

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

1. Casimir is a limited partnership formed under the laws of the State of Delaware on August 18, 2000.
2. Casimir's head office is located at 546 Fifth Avenue, New York, NY 10017, USA.
3. Casimir is registered in Ontario as an Exempt Market Dealer ("**EMD**"). To the best of its knowledge, Casimir is not in default of securities legislation in any of the provinces of Canada.
4. Casimir is registered in the United States as a broker-dealer with The Financial Industry Regulatory Authority, Securities Investor Protection Corporation, Municipal Securities Rule Making Board and is regulated by the U.S. Securities and Exchange Commission.
5. ECU Silver is a mining company incorporated in the Province of Quebec with its head office in Quebec.
6. On November 30, 2009, ECU Silver issued a press release announcing its intention to issue 13,900,000 special warrants by way of private placement at an issue price of \$0.72 per special warrant for aggregate proceeds of \$10,008,000.
7. On December 8, 2009, ECU Silver completed a private placement of 13,900,000 special warrants (the "**Special Warrants**") by way of private placement (the "**Private Placement**") at an issue price of \$0.72 per Special Warrant for aggregate proceeds of approximately \$12,200,000.
8. On December 10, 2009, ECU Silver filed the Preliminary Prospectus in Ontario and Quebec to qualify the distribution of 16,946,000 units of ECU Silver issuable upon the exercise or deemed exercise of 16,946,000 outstanding Special Warrants.
9. Casimir acted as financial advisor to ECU Silver and a finder in connection with the Private Placement of the Special Warrants. Pursuant to a revised agreement entered into between Casimir and ECU Silver on January 22, 2010, Casimir

received an advisory fee in the amount of \$198,028.40 and finder's fees in the aggregate amount of \$301,971.60, in addition to the reimbursement of certain of its expenses. The finder's fees paid to Casimir represent 7% of the gross proceeds realized by ECU Silver from private placements to investors introduced by Casimir.

10. Under Ontario securities law, an EMD is not permitted to act as "underwriter" in connection with a distribution of securities under a prospectus in the absence of exemptive relief.

#### Decision

The Commission is satisfied that granting the Exemption Sought would not be prejudicial to the public interest.

The decision of the Commission under the Act is that the Exemption Sought is granted, provided that Casimir signs the underwriter certificate in the final Prospectus.

Dated this 22nd day of January, 2010.

"James Turner"

"James D. Carnwath"

#### 2.1.2 Redwood Asset Management Inc. et al.

##### Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of a change of control of a mutual fund manager – No changes to be made to the management, operations or investment management of the mutual funds for 60 days subsequent to notice being provided to securityholders.

##### Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(2), 5.5(3).

February 3, 2010

**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  
REDWOOD ASSET MANAGEMENT INC.  
POST AMALGAMATION (as defined below)  
(the "Filer")**

**AND**

**IN THE MATTER OF  
REDWOOD ASSET MANAGEMENT INC.  
PRE AMALGAMATION ("Redwood")**

**AND**

**IN THE MATTER OF  
ARK FINANCIAL HOLDINGS INC.  
("Ark Parent") AND  
ARK FUND MANAGEMENT LTD. ("Ark Manager",  
together with Ark Parent, "Ark") AND  
TRAPEZE VALUE CLASS  
(formerly Ark Aston Hill Opportunities Class)  
ARK ASTON HILL ENERGY CLASS  
ARK ASTON HILL MONTHLY INCOME CLASS  
ARK STONECASTLE STABLE GROWTH CLASS  
ARK CATAPULT ENERGY CLASS FUND  
ARK NORTHRoad GLOBAL FUND  
(collectively, the "Funds")**

**DECISION**



## Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") for approval in satisfaction of subsection 5.5(2) of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**") of the change in control (the "**Change of Control**") of Ark Manager resulting from Redwood having acquired Ark on August 31, 2009 (the "**Approval Sought**").

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in each of the provinces and territories of Canada other than Ontario.

## Interpretation

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

## Representations

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

### *The Funds*

- 1. The Funds are either mutual fund trusts governed under the laws of Ontario or classes of a mutual fund corporation established under the laws of Ontario.
- 2. Securities of the Funds are distributed in the provinces and territories of Canada, as set forth in Schedule "A", under simplified prospectuses dated January 14, 2009, August 7, 2009 and December 23, 2009.
- 3. The Funds are reporting issuers under applicable securities legislation in the provinces and territories of Canada, as set out in Schedule "A", and are not on the list of defaulting reporting issuers maintained under applicable securities legislation in those jurisdictions.
- 4. All the portfolio managers of the Funds are third party portfolio managers.

### *The Amalgamation*

- 5. The Filer is a corporation amalgamated under the laws of Ontario with its head office in Toronto, Ontario.

- 6. The Filer is the result of the amalgamation, effective January 1, 2010, of each of Redwood, Ark Parent and Ark Manager (the "**Amalgamation**").
- 7. The Filer is registered as an exempt market dealer in the Jurisdiction and, following the Amalgamation, is now the manager of the Funds, other Ark investment funds and the Redwood Funds (as defined below).

### *The Change of Control*

- 8. The Change of Control was effected on August 31, 2009, as a result of Redwood acquiring all of the issued and outstanding shares of Ark Parent, which was the sole shareholder of Ark Manager. As a result, there was an indirect change of control of Ark Manager for the purposes of subsection 5.5(2) of NI 81-102.
- 9. A press release announcing the completion of the Change of Control was issued on September 8, 2009.

### *Redwood*

- 10. At the time of the Change of Control, Redwood had been an investment fund manager for approximately 6 years and, with combined assets under management as at June 30, 2009 of approximately \$48 million, was the manager both of mutual funds offered under a multi-fund simplified prospectus and annual information form dated June 11, 2009 and of other investment funds not offered by prospectus (collectively, the "**Redwood Funds**").
- 11. At the time of the Change of Control, Redwood was registered as a limited market dealer (now exempt market dealer) in the Jurisdiction.

### *Prior to the Change of Control*

- 12. Prior to the Change of Control, Ark Parent was principally owned by Peter Shippen (43.7%) and Brian Petersen (29.3%) with the remaining 27% of the shares held by five individual shareholders.
- 13. Prior to the Change of Control, the officers and directors of Ark Manager were as follows:

Name	Title
Peter Shippen	Director and Chief Executive Officer
Richard Scott	Director and Chief Financial Officer
Michael Franks	Director

*Following the Change of Control*

14. On the Change of Control, in exchange for their shares of Ark Parent, the former shareholders of Ark Parent received an approximate 40% holding in Redwood with the remaining 60% held by those who were shareholders of Redwood prior to the closing.
15. Following the Change of Control, Richard Scott and Michael Franks ceased in their positions with Ark Manager. In their respective places, one of the shareholders of Ark Parent, Brian Petersen, became a director of Ark Manager, and one of the officers and directors of Redwood, Jonathan Clapham, became an officer and director of Ark Manager. As such, the officers and directors of Ark Manager following the Change of Control were as follows:

Name	Title
Jonathan Clapham	Director and Chief Executive Officer
Peter Shippen	Director, President and Chief Financial Officer
Brian Petersen	Director

*Impact of Change of Control and Amalgamation*

16. The current shareholders, directors and officers of the Filer are as follows:

Name and % holding in Filer	Title
Jonathan Clapham, 24.5%	Director and Chief Executive Officer
IPI Corp, 21.8%; IPI Corp is 100% owned by Gian Delzotto	Gian Delzotto is a Director
Peter Shippen, 17.5%	Director, President and Chief Financial Officer
Brian Petersen, 11.7%	Director

17. The officers and directors of the Filer have the requisite experience and integrity to manage the Funds.
18. The acquisition of Ark by Redwood was intended to and did result in a significantly stronger and better capitalized fund management business. The transaction provided Ark Manager with increased support and resources, which enabled it

to raise new assets in the Funds and allowed for greater profile in the market place with the potential for increased economies of scale in operating the Funds. The Filer anticipates that this increased support and resources, along with the potential economies of scale will continue for the Funds under the amalgamated entity.

19. The independent review committee for the Funds (the "IRC"), which remains unchanged, provided a positive recommendation for the Change of Control.
20. Due to an inadvertent oversight, the Filer and its predecessor companies failed to apply for prior regulatory approval of the Change of Control, as required by subsection 5.5(2) of NI 81-102, and failed to send prior notice of the Change of Control to securityholders of the Funds, as required by section 5.8(1) of NI 81-102.
21. The Change of Control and Amalgamation have had no adverse effect on the management, operations and investment management of the Funds and no significant changes have been made to the management, operations or investment management of the Funds, other than a recent change of portfolio manager for one Fund, which will be treated as a "material change" within the meaning of National Instrument 81-106 *Investment Fund Continuous Disclosure*:

- (a) While Jonathan Clapham became Chief Executive Officer and a director of Ark Manager and remained Chief Executive Officer and a director of Redwood (and is now Chief Executive Officer and a director of the Filer), Peter Shippen, the former Chief Executive Officer and operating mind of Ark Manager remained part of the core leadership of the Funds, becoming President, Chief Financial Officer and a director of Ark Manager and Redwood (and is now President, Chief Financial Officer and a director of the Filer). Also, Brian Petersen, a former shareholder of Ark Parent, became a director of Ark Manager and Redwood (and is now a director of the Filer);
- (b) Ark Manager remained the trustee of the Funds that are structured as trusts until, by virtue of the Amalgamation, the Filer became trustee of those Funds;
- (c) The portfolio managers of the Funds continued to provide investment advice to those Funds to which they provided such advice prior to the Change of Control, with the exception of Trapeze Value Class. The change of portfolio manager for Trapeze Value Class is in keeping

- with the fiduciary obligation of a fund manager;
- (d) The members of the IRC did not change and remain the same individuals prior to and following the Change of Control and Amalgamation;
- (e) The custodian of the Funds did not change and remains CIBC Mellon Trust Company;
- (f) The auditor of the Funds did not change and remains Deloitte & Touche LLP;
- (g) The registrar and transfer agent of the Funds did not change and remains KeiDATA Backoffice Solutions Inc;
- (h) The systems, back office, fund accounting and all other administrative functions of the Funds continue to operate in the same manner after as they operated before the Change of Control; and
- (i) The investment objectives, investment strategies, management fees and operating expenses of the Funds have not changed.
22. The current simplified prospectuses and annual information forms of the Funds reflect or will reflect that the Filer is the manager of the Funds and disclose or will disclose the names of the officers and directors of the Filer and the ownership of the Filer, the Change of Control and the Amalgamation.
23. The Filer will send a notice, containing the information that would be required by law to be provided to securityholders if securityholder approval of the change were required to be obtained, to all securityholders of the Funds, advising them of the inadvertent oversight to send prior notice of the Change of Control and providing details about the Filer and information regarding the Change of Control and Amalgamation.
24. With the exception of the name change and portfolio manager change for Trapeze Value Class (formerly Ark Aston Hill Opportunities Class), no other change will be made to the management, operations or investment management of the Funds, except as necessary in order for the Filer to fulfil its fiduciary obligations in respect of the Funds, for at least 60 days after the mailing of the securityholder notice, so as to provide investors with sufficient time to contemplate whether or not to remain in the Funds.

25. The Filer will issue a press release announcing the Amalgamation of Ark and Redwood.
26. The Filer will post the press release and investor notice on its website, making it clear to existing securityholders in the Funds that the Filer is now the manager of the 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 Approval Sought is granted.

"Rhonda Goldberg"  
Manager, Investment Funds Branch  
Ontario Securities Commission

**Schedule “A”**

Trapeze Value Class  
(formerly Ark Aston Hill Opportunities Class)<sup>1</sup>  
Ark Aston Hill Energy Class<sup>1</sup>  
Ark Aston Hill Monthly Income Class<sup>1</sup>  
Ark StoneCastle Stable Growth Class<sup>2</sup>  
Ark Catapult Energy Class Fund<sup>3</sup>  
Ark NorthRoad Global Fund<sup>3</sup>

**Notes:**

1. offered in all of the provinces and territories of Canada
2. offered in the provinces of Alberta and British Columbia
3. offered in all of the provinces of Canada

**2.1.3 Goodman & Company, Investment Management Inc. et al.**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Pooled mutual funds managed by a fund manager or an affiliate prohibited from making and holding investments in listed securities of the Dundee REIT – Relief granted from s. 111(2)(c)(ii), s. 111(2)(b) and s. 111(3) of the Act to permit the Funds to make and hold investments in securities of the ‘related’ REIT, subject to IRC approval.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c)(ii), 111(3), 113.

**January 29, 2010**

**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  
GOODMAN & COMPANY,  
INVESTMENT MANAGEMENT INC.  
(the Filer)**

**AND**

**DYNAMIC REAL ESTATE AND INFRASTRUCTURE  
INCOME FUND, DYNAMIC INCOME  
OPPORTUNITIES FUND, DYNAMIC STRATEGIC  
VALUE FUND AND GOODMAN & COMPANY  
EQUITY INCOME STRATEGY FUND  
(each an Existing Fund)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting each Existing Fund and each new fund established by the Filer or an affiliate of the Filer to which National Instrument 81-102 *Mutual Funds* does not apply (the **Future Funds** and together with the Existing Funds, the **Funds** and individually, a **Fund**) from the investment restrictions in the Legislation which prohibit each Fund from knowingly:

- (a) making an investment in any issuer in which that Fund alone or together with one or more related mutual funds, is a substantial security holder;
- (b) making an investment in any issuer in which any person who is a substantial security holder of that Fund, its management company or distribution company, has a significant interest; and
- (c) holding an investment described in (a) or (b) above,

(collectively, the **Exemption Sought**).

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

- 1. the Ontario Securities Commission is the principal regulator for this application; and;
- 2. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is also intended to be relied upon in Alberta.

### **Interpretation**

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

### **Representations**

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

#### ***The Filer***

- 1. The Filer is a corporation incorporated under the laws of Ontario with its head office in Toronto, Ontario.
- 2. The Filer is a wholly-owned subsidiary of DundeeWealth Inc. (**Dundee Wealth**). The common shares of DundeeWealth are listed on the Toronto Stock Exchange (the **TSX**). As of October 21, 2009, Dundee Corporation is the principal shareholder of DundeeWealth, holding substantially more than 20% of the voting securities of DundeeWealth.
- 3. The Filer is registered as a portfolio manager in all provinces of Canada except Prince Edward Island and Newfoundland and Labrador. The Filer is also registered as a commodity trading manager in Ontario.
- 4. The Filer is not in default of securities legislation of any jurisdiction of Canada.

#### ***The Funds***

- 5. Each Fund is or will be an open-ended trust established under the laws of the Province of Ontario. No Fund is or will be a reporting issuer (as such term is defined in the Legislation). Units of each Fund are or will be offered for sale only on an exempt basis pursuant to available prospectus and registration exemptions in each of the provinces and territories of Canada.
- 6. The Filer or an affiliate of the Filer acts or will act as the manager, adviser and/or promoter of each Fund.
- 7. Each Fund has or will have an investment objective of providing income and/or long-term capital appreciation primarily through investment in a diversified portfolio of securities including interests in real estate.
- 8. Each Fund is not or will not be in default under the securities legislation of any jurisdiction of Canada.

#### ***Dundee REIT***

- 9. The Dundee Real Estate Investment Trust (the **Dundee REIT**) is an unincorporated open-ended real estate investment trust governed by the laws of Ontario. Units of the Dundee REIT are listed on the TSX.
- 10. As at October 21, 2009, Dundee Corporation held, directly and indirectly, more than 10% of the outstanding securities of the Dundee REIT.

#### ***Investment by the Fund in the Dundee REIT***

- 11. As a result of its holdings, Dundee Corporation owns (a) indirectly more than 20% of the outstanding voting shares of the Filer and (b) directly or indirectly owns more than 10% of the outstanding securities of the Dundee REIT, and is therefore a "substantial security holder" of the Filer and has a "significant interest" in the Dundee REIT within the meaning of these terms in the Legislation.
- 12. Each Fund is or will be a "related mutual fund" and is or will be prohibited by the Legislation from making or holding an investment in units of the Dundee REIT.
- 13. Each Fund is or will be unable to rely on the related issuer investment exemption in section 6.2(2) of National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) to invest in units of the Dundee REIT since NI 81-107 does not apply to any Fund as no Fund is or will be a reporting issuer.
- 14. Each Fund has established or will establish an independent review committee (an **IRC**) that is

composed in accordance with the requirements of section 3.7 of NI 81-107. The IRC of each Fund will comply with the standard of care set out in section 3.9 of NI 81-107 as if that Fund were subject to that rule. The only conflict of interest matter that will be referred by each Fund to its IRC will be investments made by that Fund in units of the Dundee REIT.

15. The Filer considers that each Fund should be permitted to invest in units of the Dundee REIT because they provide each Fund with the opportunity to achieve greater diversification at a lower cost than investing directly in the assets held by the Dundee REIT.

16. The investments by each Fund in units of the Dundee REIT will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of that Fund.

regulator the particulars of any such investments; and

- (g) the reporting obligation in section 4.5 of NI 81-107 applies to the Exemption Sought and the IRC of each Fund relying on the Exemption Sought complies with section 4.5 of NI 81-107 as if that Fund were subject to that rule, in connection with any instance that it becomes aware that such Fund does not comply with any of the conditions of this decision.

"Paulette L. Kennedy"  
Commissioner  
Ontario Securities Commission

"Kevin J. Kelly"  
Commissioner  
Ontario Securities Commission

### 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 investment by each Fund in units of the Dundee REIT will be in accordance with that Fund's investment objective;
- (b) each Fund will purchase units of the Dundee REIT on an exchange on which units of the Dundee REIT are listed and traded;
- (c) each Fund maintains an IRC that is composed in accordance with the requirements of section 3.7 of NI 81-107 and that complies with the standard of care set out in section 3.9 of NI 81-107;
- (d) the IRC of each Fund approves the purchase of units of the Dundee REIT by that Fund in the manner contemplated by section 5.2(2) of NI 81-107;
- (e) the Filer complies with section 5.1 of NI 81-107, and the Filer and the IRC of each Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the purchase of units of the Dundee REIT by that Fund;
- (f) no later than the time that a Fund is required to file its annual financial statements, the Fund files with the applicable securities regulatory authorities or

## 2.1.4 Seaclyff Construction Corp.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107, s. 9.1 – Acceptable Accounting Principles, Auditing Standards and Reporting Currency – An issuer wants relief from the requirement that financial statements required by securities legislation to be audited must be accompanied by an auditor's report that does not contain a reservation – The issuer will provide an audited balance sheet for the acquired business as at a date subsequent to the date to which the qualification relates; that balance sheet will be accompanied by an auditor's report that does not contain a reservation.

### Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 9.1.

January 25, 2010

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

**AND**

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

**AND**

**IN THE MATTER OF  
SEACLYFF CONSTRUCTION CORP.  
(the Filer)**

**DECISION**

### Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the Legislation) for an exemption from the requirement in subsection 6.2(4) of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) that an auditor's report filed in connection with certain acquisition statements must not contain a reservation in order that the Filer may file a business acquisition report containing audited financial statements of Broda Construction Inc. (Broda) with an auditor's report containing a reservation relating to Broda's work in progress (the Exemption Sought).

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

- (a) British Columbia is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and
- (c) the decision is the decision of the principal regulator and evidence the decision of the regulator in Ontario.

### Interpretation

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

### Representations

- 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer is incorporated under the *Business Corporations Act* (British Columbia) and its head office is located in Vancouver;
  - 2. the Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador;
  - 3. the Filer is authorized to issue an unlimited number of common shares without par value; as of the date hereof, the Filer has 20,874,818 common shares issued and outstanding;
  - 4. the common shares of the Filer are listed on the Toronto Stock Exchange;
  - 5. Broda is a privately held earth moving and heavy civil construction company based in Prince Albert, Saskatchewan;
  - 6. on November 17, 2009, the Filer entered into a share purchase agreement to acquire all of the issued and outstanding shares of Broda (the Transaction);
  - 7. the Transaction will constitute a "significant acquisition" for the purposes of National Instrument 51-102 *Continuous Disclosure Requirements* (NI

- 51-102) and the Filer will be required to file a business acquisition report (BAR) within 75 days of the closing of Transaction;
8. under section 8.4 of NI 51-102, the BAR must be accompanied by financial statements of Broda for its two most recently completed financial years, being March 31, 2008 and March 31, 2009, and the statements for the most recently completed financial year must be audited;
  9. under subsection 6.2(4) of NI 52-107, the audited financial statements of Broda included in the BAR must be accompanied by an auditor's report that does not contain a reservation;
  10. Broda is a private company that historically has not had its financial statements audited;
  11. historically, Broda has not had its work in progress (WIP) balances verified by external sources; Broda has relied on internal records to determine WIP balances; as a result, Broda's auditors are unable to satisfy themselves as to the physical existence and ownership of the WIP balances at April 1, 2008 (Opening WIP Balance) and March 31, 2009 (Closing WIP Balance);
  12. the WIP in question is rock ballast crushed by Broda for the Canadian National Railway Company and Canadian Pacific Railway Company;
  13. Broda's audited financial statements for the year ended March 31, 2009 will be accompanied by an auditor's report that contains a reservation relating to both the Opening WIP Balance and the Closing WIP Balance;
  14. subsection 6.2(6) of NI 52-107 provides an exemption from the requirement in subsection 6.2(4) for an unqualified opinion relating to inventory provided:
    - (a) the issuer includes in the BAR a balance sheet for the business that is for a date that is subsequent to the date to which the qualification relates; and
    - (b) the balance sheet referred to in paragraph (a) is accompanied by an auditor's report that does not contain a qualification of

opinion relating to closing inventory; and

15. subsequent to entering into the Transaction, Broda has taken steps to have its WIP balances verified by independent, third party engineering firms; as a result, Broda's auditors are able to satisfy themselves as to the physical existence and ownership of the WIP balance as at November 30, 2009.

#### Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Filer includes in the BAR an audited balance sheet of Broda as at November 30, 2009 that is accompanied by an auditor's report that does not contain a reservation relating to closing WIP balances.

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



## 2.1.5 Uranium One Inc.

### Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107, s. 9.1 Acceptable Accounting Principles, Auditing Standards and Reporting Currency – An issuer wants relief from the requirement to audit acquisition statements in accordance with Canadian or U.S. GAAS – The issuer acquired or will acquire a business whose historical financial statements have not been audited in accordance with Canadian or U.S. GAAS; the acquired business' financial statements have been audited in accordance with International Standards on Auditing; for various reasons, it would be impractical to re-audit the business' financial statements in accordance with Canadian or U.S. GAAS; the audit report will be accompanied by a statement by the auditor that describes any material differences in the form of report as compared to a Canadian GAAS audit report, and indicates that its report would not contain a reservation if it were prepared in accordance with Canadian GAAS.

### Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 9.1.

February 2, 2010

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

**AND**

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

**AND**

**IN THE MATTER OF  
URANIUM ONE INC.  
(the Filer)**

**DECISION**

### Background

- 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempted from complying with the requirement in section 6.2 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) that financial statements of an acquired company that are included in a business acquisition report filed under section 8.2 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) must be audited in accordance with Canadian GAAS or United States generally accepted auditing standards (U.S. GAAS) with respect to certain financial statements of Karatau (as defined below) (the Exemption Sought).

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

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

## Interpretation

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

## Representations

- 3 This decision is based on the following facts represented by the Filer:
1. the Filer is a company continued under the laws of Canada; the Filer's head office is located at 1285 West Pender Street, Suite 900, Vancouver, British Columbia, V6E 4B1;
  2. the Filer is engaged, through its subsidiaries and joint ventures, in the mining and production of uranium and in the acquisition, exploration and development of uranium properties; the Filer's principal projects are certain uranium mines and uranium development projects in Kazakhstan; the Filer also owns uranium projects and various exploration properties in the United States, South Africa, Australia and Kazakhstan;
  3. the Filer is a reporting issuer in each of the provinces of Canada, and is not in default of securities legislation in any jurisdiction;
  4. the Filer's common shares are listed on the Toronto Stock Exchange (TSX) under the symbol "UUU"; certain convertible debentures of the Filer are also listed on the TSX under the symbol "UUU.DB";
  5. the financial statements of the Filer are prepared in accordance with Canadian GAAP and the annual financial statements of the Filer are audited in accordance with Canadian GAAS;
  6. the Filer, its wholly-owned subsidiary Uranium One Netherlands B.V. (U1 Netherlands) and Effective Energy N.V. (Effective Energy) entered into an agreement under which the Filer agreed to acquire (the Acquisition), through U1 Netherlands, Effective Energy's 50% participatory interest in the Karatau Limited Liability Partnership (Karatau);
  7. Karatau is a limited liability partnership formed under the laws of the Republic of Kazakhstan; the remaining 50% participatory interest in Karatau is owned by National Atomic Company Kazatomprom (Kazatomprom), a joint-stock company owned by the Government of Kazakhstan;
  8. Karatau owns and operates the Karatau Uranium Mine in Kazakhstan;
  9. Karatau's auditor is KPMG Audit LLC, an affiliate of KPMG International, in Kazakhstan;
  10. the Acquisition was completed on December 14, 2009 and the Filer became, through U1 Netherlands, the beneficial holder of a 50% participatory interest in the Karatau;
  11. the Acquisition was a "significant acquisition" for the Filer, within the meaning of section 8.3 of NI 51-102, for which the Filer is required to file a business acquisition report (BAR) in accordance with section 8.2 of NI 51-102;
  12. the financial statements of Karatau have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the annual financial statements of Karatau have been audited in accordance with International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB);
  13. under section 8.4 of NI 51-102, certain historical audited annual financial statements and unaudited interim financial statements of Karatau are required to be included in the BAR;
  14. the Filer intends to include the following financial statements of Karatau in the BAR:
    - (a) audited annual consolidated financial statements of Karatau and the notes thereto as at and for the financial year ended December 31, 2008, with unaudited comparative annual consolidated financial information as at and for the year ended December 31, 2007, together with the auditor's report thereon (the Audited Financial Statements); and
    - (b) unaudited interim consolidated financial statements of Karatau and the notes thereto as at and for the nine months ended September 30, 2009 and 2008;

15. the Audited Financial Statements have been prepared in accordance with IFRS issued by the IASB and audited in accordance with ISA issued by the IAASB; the audit report for the financial year ended December 31, 2008 expressed an unqualified opinion;
16. the Audited Financial Statements, when included in the BAR, will include a note reconciling the financial statements to Canadian GAAP prepared in accordance with the requirements of section 6.1 of NI 52-107;
17. section 6.2(1) of NI 52-107 requires the Audited Financial Statements to be audited in accordance with Canadian GAAS or U.S. GAAS;
18. section 6.2(2) of NI 52-107 does not permit the Filer to file the Audited Financial Statements audited in accordance with ISA, as the Filer is not a "foreign issuer" within the meaning of NI 52-107;
19. the auditor of Karatau has represented to the Filer that it has expertise and experience in ISAs issued by the IAASB; the auditor of Karatau is able to make the statements set out in paragraph (b) of this decision as a result of consultations with the member firm of KPMG International in Canada;
20. the Filer will include in the BAR clear disclosure as to the basis of presentation of the Audited Financial Statements and that they have been audited in accordance with ISA issued by the IAASB.

**Decision**

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

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

- (a) the Audited Financial Statements are audited in accordance with ISA issued by the IAASB; and
- (b) the auditor's report accompanying the Audited Financial Statements contains or is accompanied by a statement by the auditor that:
  - (i) describes any material differences in the form and content of the auditor's report prepared in accordance with ISAs as compared to an auditor's report prepared in accordance with Canadian GAAS; and
  - (ii) indicates that an auditor's report prepared in accordance with Canadian GAAS would not contain a reservation.

Andrew S. Richardson, CA,  
Acting Director, Corporate Finance  
British Columbia Securities Commission

**2.1.6 Sentry Select Capital Inc. and Sentry Select Global Real Estate Fund**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund merger – closed-end fund to convert open-ended mutual fund prior to merger with a conventional open-ended mutual fund – approval required because merger does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 – continuing fund does not have substantially similar investment objectives and fee structure as terminating fund – merger will not be a “qualifying exchange” or tax-deferred transaction under Income Tax Act – securityholders of terminating fund provided with timely and adequate disclosure regarding the merger.

**Applicable Legislative Provisions**

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.5(3), 5.6, 5.7.

January 22, 2010

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

**AND**

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

**AND**

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

**AND**

**SENTRY SELECT GLOBAL REAL ESTATE FUND  
(the Terminating Fund)**

**DECISION**

**Background**

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

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

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

**Interpretation**

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

**Representations**

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

*The Filer*

- 1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The Filer is registered in Ontario as a dealer in the category of mutual fund dealer and as an adviser in the category of portfolio manager under the *Securities Act* (Ontario), and as an adviser in the category of commodity trading manager under the *Commodity Futures Act* (Ontario). The Filer is also registered as an advisor in the category of portfolio manager under the *Securities Act* (Alberta).
- 2. The Filer is the manager and trustee of both the Terminating Fund and the Continuing Fund (each a **Fund** and collectively, the **Funds**).
- 3. The head office of the Filer is located in Toronto, Ontario.

*The Funds*

- 4. Each Fund was established pursuant to a declaration of trust under the laws of the Province of Ontario.
- 5. The Terminating Fund is a closed-end investment fund that offered its Listed units and Class F units in all of the provinces and territories of Canada (the **Jurisdictions**) pursuant to a simplified prospectus dated November 29, 2007. In terms of the declaration of trust of the Terminating Fund it is scheduled to convert into an open-end mutual fund on February 1, 2010 (the **Conversion Date**). The Terminating Fund's Listed units were previously listed on the Toronto Stock Exchange (the **TSX**) and were delisted on January 20, 2010.
- 6. Units of the Continuing Fund are currently offered for continuous sale under a simplified prospectus

and annual information form dated June 15, 2009 in the Jurisdictions.

7. The Funds are reporting issuers under the applicable securities legislation of the Jurisdictions and are not on the list of defaulting reporting issuers maintained under such securities legislation.
8. Unless an exemption has been obtained, each of the Funds follows the standard investment restrictions and practices established under the Legislation.
9. The net asset value (**NAV**) for units of the Continuing Fund is calculated on a daily basis on each day that the TSX is open for trading and units of the Continuing Fund are generally redeemable on a daily basis. Absent the Merger, the NAV for units of the Terminating Fund would be calculated daily and be redeemable daily on the same basis effective the Conversion Date.

#### *The Merger*

10. The Filer intends to merge the Terminating Fund into the Continuing Fund which will involve the transfer of the assets of the Terminating Fund into the Continuing Fund in exchange for units of the Continuing Fund.
11. The board of directors of the Filer approved the proposed Merger on November 12, 2009 and a press release and material change report in connection with the Merger were issued and filed on SEDAR on November 13, 2009 and November 18, 2009 respectively.
12. As required by NI 81-107 an independent review committee (the **IRC**) has been appointed for the Funds. The Filer presented the terms of the Merger to the IRC for a recommendation on December 17, 2009. The IRC reviewed the proposed Merger and recommended that it be put to unitholders of the Terminating Fund for their consideration on the basis that the Merger would achieve a fair and reasonable result for the Funds.
13. Regulatory approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102 because:
  - (a) the fundamental investment objective of the Terminating Fund is not "substantially similar" to the fundamental investment objective of the Continuing Fund,
  - (b) each Fund has a different fee structure, and

- (c) it is preferable to complete the Merger on a taxable basis.

14. A management information circular in connection with the Merger was filed on SEDAR and was mailed to unitholders of the Terminating Fund on December 22, 2009 (the **Circular**).
15. The tax implications of the Merger as well as the differences between the Terminating Fund and the Continuing Fund were described in the Circular so that unitholders of the Terminating Fund could consider this information before voting on the Merger.
16. In accordance with relief from the prospectus and financial statement delivery requirements of paragraph 5.6(1)(f)(ii) of NI 81-102, granted to the Filer on May 29, 2009, in respect of future mergers of mutual funds managed by it, the Filer, in connection with the Merger:
  - (a) delivered the current Part A and Part B of the simplified prospectus of the Continuing Fund to Unitholders of the Terminating Fund with the Circular; and
  - (b) prominently disclosed in the Circular where Unitholders of the Terminating Fund can obtain the most recent interim and annual financial statements of the Continuing Fund.
17. The Filer will pay all costs and expenses associated with the Merger and relating to the solicitation of proxies.
18. Unitholders of the Terminating Fund approved the Merger at a special meeting of unitholders held on January 15, 2010.
19. It is anticipated that the Merger will be implemented on or about February 1, 2010 (the **Merger Date**) which is also the Conversion Date.
20. Under the terms of the Terminating Fund's declaration of trust, Unitholders of the Terminating Fund will have the right to redeem units of the Terminating Fund at their net asset value on January 29, 2010, which is the last business day immediately before the Merger Date.
21. Following the Merger, the Continuing Fund will continue as a publicly offered open-end mutual fund and the Terminating Fund will be wound up as soon as reasonably possible following the Merger.
22. Implicit in the approval by unitholders of the Merger is the adoption by the Terminating Fund of the fundamental investment objective of the Continuing Fund and the acceptance by

- unitholders of the Terminating Fund of the fee structure of the Continuing Fund.
23. The portfolio assets of the Terminating Fund to be acquired by the Continuing Fund under the Merger
- (a) may be acquired by the Continuing Fund in compliance with NI 81-102; and
  - (b) are acceptable to the portfolio adviser of the Continuing Fund and consistent with its fundamental investment objectives.
24. The proposed Merger will be structured substantially as follows:
- (a) On the Merger Date, the Terminating Fund will transfer all of its assets to the Continuing Fund in exchange for Series A sales charge option and Series F units of the Continuing Fund. The Series A sales charge option units and the Series F units of the Continuing Fund received by the Terminating Fund will have an aggregate NAV equal to the NAV of the assets attributable to the Listed units and Class F units respectively of the Terminating Fund, as of the close of business on the business day prior to the Merger Date, and will be issued at the NAV per Series A sales charge option units and Series F units respectively of the Continuing Fund as of the close of business on the Merger Date.
  - (b) Immediately thereafter, the Series A sales charge option units and Series F units of the Continuing Fund received by the Terminating Fund will be distributed to the unitholders that previously held Listed units and Class F units respectively of the Terminating Fund. Each unitholder will receive Series A or Series F units of the Continuing Fund having the same aggregate NAV as the units they previously held in the Terminating Fund as of the close of business on the business day prior to the Merger Date. While the distribution of units of the Continuing Fund to unitholders of the Terminating Fund will occur immediately following the Merger, it is not expected that the Series A and Series F units will immediately appear in the individual unitholder's account.
25. The Filer believes that the Merger will be beneficial to unitholders of the Terminating Fund for the following reasons:
- (a) unitholders of the Terminating Fund are expected to enjoy improved economies of scale and lower proportionate fund operating expenses (which are borne indirectly by unitholders) as part of a larger combined Continuing Fund. Due to the smaller size of the Terminating Fund, the administrative and regulatory costs of operating the Terminating Fund as a stand-alone mutual fund would be higher per unitholder and could increase significantly if the Terminating Fund continues to decrease in asset size;
  - (b) the Continuing Fund's larger portfolio and similar investment mandate should offer improved portfolio diversification to unitholders of the Terminating Fund;
  - (c) the Manager believes that the interests of unitholders of the Terminating Fund will be better served by being invested in a larger Continuing Fund. The global investment objective and strategy of the Terminating Fund cannot continue to be fully optimized if the Terminating Fund were to convert to a stand-alone mutual fund on February 1, 2010, as originally scheduled, and not be merged with the Continuing Fund, due to the significant redemptions out of the Terminating Fund anticipated by the Manager associated with the redemption right exercisable by Unitholders on January 29, 2010 and ongoing redemptions post-conversion;
  - (d) due to its smaller size, the Terminating Fund may be required to sell certain securities at inopportune times to fund redemptions. This is less likely to occur in the much larger Continuing Fund;
  - (e) the Merger will permit unitholders of the Terminating Fund to transition their assets smoothly into a growing, more viable investment fund; and
  - (f) if the Merger is approved and implemented, unitholders of the Terminating Fund will benefit from the flexibility to switch seamlessly from one series to another within the Continuing Fund on a non-taxable basis and, on a taxable basis, from the Continuing Fund to any other fund managed by Sentry Select within the Sentry Select Group of Funds.
26. In the event that the Merger is not implemented, the Manager intends to terminate the Terminating Fund on or about February 1, 2010. Unitholders of the Terminating Fund were advised thereof by notice mailed to them on November 27, 2009.

## Decision

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

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

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

## 2.1.7 Stingray Copper Inc. – s. 1(10)

### Headnote

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

### Applicable Legislative Provisions

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

February 8, 2010

DuMoulin Black LLP  
10th Floor, 595 Howe Street  
Vancouver, BC V6C 2T5

### Attention: Daniel McElroy

Dear Sir/Madam:

**Re: Stingray Copper Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

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

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

**2.1.8 Exceed Energy Inc. – s. 1(10)**

**Headnote**

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

**Applicable Legislative Provisions**

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

**Citation:** Exceed Energy Inc., Re, 2010 ABASC 46

February 5, 2010

Burnet, Duckworth & Palmer LLP  
1400, 350 - 7 Avenue SW  
Calgary, AB T2P 3N9

**Attention: Michael J. Eldridge**

Dear Sir:

**Re: Exceed Energy Inc. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

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

ceased to be a reporting issuer and that the Applicant's status as a reporting issuer is revoked.

"Blaine Young"  
Associate Director, Corporate Finance



## 2.1.9 Sun Life Capital Trust II et al.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to a trust from continuous disclosure requirements under National Instrument 51-102 Continuous Disclosure Obligations and certification obligations under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, subject to certain conditions. Trust established for purpose of effecting offerings of trust securities in order to provide insurance company with a cost-effective means of raising capital for Canadian insurance regulatory purposes. Trust became reporting issuer upon filing a prospectus offering trust securities. Without relief, trust would have to comply with continuous disclosure requirements and certification requirements. Given the nature, terms and conditions of the trust securities and various covenants of insurance company and its holding company in connection with the prospectus offering, the meaningful information to public holders of trust securities is information with respect to the insurance company and its holding company, rather than the trust.

### Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations.

National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

February 8, 2010

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  
SUN LIFE CAPITAL TRUST II (the "Trust"),  
SUN LIFE ASSURANCE COMPANY OF CANADA  
("SLA") AND SUN LIFE FINANCIAL INC.  
("SLF" and, together with the Trust and SLA,  
the "Filers")

DECISION

### Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision (the "**Exemption Sought**") under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") that the requirements contained in the Legislation to:

- (a) (i) file interim financial statements and audited annual financial statements and deliver same to the security holders of the Trust pursuant to sections 4.1, 4.3 and 4.6 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**");
  - (ii) file interim and annual management's discussion and analysis ("**MD&A**") and deliver same to the security holders of the Trust pursuant to sections 5.1 and 5.6 of NI 51-102;
  - (iii) file an annual information form pursuant to section 6.1 of NI 51-102; and
  - (iv) comply with any other requirements of NI 51-102
- (collectively defined as the "**Continuous Disclosure Obligations**"); and

- (b) file interim and annual certificates (collectively the “**Officers’ Certificates**”) pursuant to Parts 4, 5 and 6 of National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“**NI 52-109**”) (the “**Certification Obligations**”),

shall not apply to the Trust, subject to certain conditions.

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 each of the provinces and territories other than Ontario.

### Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. In this decision, “**Prospectus**” means the final short form prospectus of the Trust and SLA dated November 17, 2009 in respect of the Offering (as defined below).

### Representations

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

#### SLF

1. SLF was incorporated under the *Insurance Companies Act* (Canada) (the “**ICA**”) on August 5, 1999. On the completion of the demutualization of SLA on March 22, 2000, SLF became the holding company which holds directly all of the outstanding shares of SLA. SLF’s head office is located at 150 King Street West, Toronto, Ontario, M5H 1J9.
2. The authorized share capital of SLF consists of: (i) an unlimited number of common shares; (ii) an unlimited number of Class A Shares, issuable in series; and (iii) an unlimited number of Class B Shares, issuable in series.
3. SLF is a publicly traded company on the Toronto Stock Exchange, the New York Stock Exchange and the Philippines Stock Exchange.
4. SLF is a reporting issuer in each province and territory of Canada (each, a “**Reporting Jurisdiction**” and collectively, the “**Reporting Jurisdictions**”) and is not, to its knowledge, in default of its reporting issuer obligations under the securities legislation of any of the Reporting Jurisdictions.

#### SLA

5. SLA is an insurance company under the ICA and is regulated by the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”). The head office of SLA is located at 150 King Street West, Toronto, Ontario, M5H 1J9.
6. The authorized share capital of SLA consists of: (i) an unlimited number of common shares; (ii) an unlimited number of Class A shares, issuable in series; (iii) an unlimited number of Class B shares, issuable in series; (iv) an unlimited number of Class C shares, issuable in series; (v) an unlimited number of Class D shares, issuable in series and (vi) an unlimited number of Class E shares, issuable in series. SLF holds all of the issued and outstanding shares of SLA.
7. SLA is a reporting issuer in the Reporting Jurisdictions and is not, to its knowledge, in default of its reporting issuer obligations under the securities legislation of any of the Reporting Jurisdictions.
8. SLF has guaranteed certain obligations of SLA in order to rationalize the securities reporting obligations of SLF and SLA (the “**SLF Guarantees**”). The SLF Guarantees included: (i) a subordinated guarantee of SLA’s Class A shares, Class B shares, Class C shares, Class D shares and Class E shares, other than preferred shares held by SLF and its affiliates (the “**SLF Preferred Share Guarantee**”); (ii) a full and unconditional subordinated guarantee of SLA’s \$150 million of outstanding 6.30% subordinated debentures due 2028; (iii) a full and unconditional subordinated guarantee of SLA’s \$300 million of outstanding 6.65% subordinated debentures due 2015; and (iv) a full and unconditional subordinated guarantee of SLA’s \$800 million of outstanding 6.15% subordinated debentures due 2022.
9. As a result of the SLF Guarantees, SLA received an exemption dated November 14, 2007 (the “**2007 SLA Order**”) from the requirements to file certain continuous disclosure materials with the Canadian securities regulatory authorities. Under the 2007 SLA Order, SLA is not required to file interim financial statements, annual or interim MD&A, an annual

information form, press releases and material change reports in the case of material changes that are also material changes in the affairs of SLF, material contracts, and Officers' Certificates. However, SLA is required to file annual audited financial statements, and certain summary information regarding SLA is filed by SLF on a quarterly basis. SLA has filed a notice on SEDAR indicating that it is relying on the continuous disclosure filings of SLF and setting out where those documents can be found for viewing in electronic format. In addition, SLF is required to send to holders of the debentures and preferred shares of SLA the disclosure materials that SLF is required to send to holders of its similar debt and preferred shares, respectively.

### **The Trust**

10. The Trust is a trust established under the laws of Ontario by Computershare Trust Company of Canada, as trustee (the "**Trustee**"), pursuant to a declaration of trust dated as of November 6, 2009, as amended and restated on November 20, 2009, and as it may be further amended, restated and supplemented from time to time (the "**Declaration of Trust**").
11. The Trust's head office is located at 150 King Street West, Toronto, Ontario, M5H 1J9. The Trust has a financial year end of December 31.
12. The Trust completed an initial public offering (the "**Offering**") of 5.863% Sun Life Exchangeable Capital Securities - Series 2009-1 due December 31, 2108 (the "**SLEECs**") in the Reporting Jurisdictions on November 20, 2009 and may, from time to time, issue further series of notes substantially similar to the SLEECs (collectively with the SLEECs, the "**Notes**"). As a result of the Offering, the capital of the Trust consists of: (i) the SLEECs; and (ii) voting trust units ("**Voting Trust Units**"). All of the outstanding Voting Trust Units are held by SLA.
13. As a result of having obtained a receipt for the Prospectus for the Offering, the Trust is a reporting issuer in the Reporting Jurisdictions. The Trust is not, to its knowledge, in default of its reporting issuer obligations under the securities legislation of any of the Reporting Jurisdictions.
14. The Trust is a single purpose vehicle established for the purpose of effecting offerings of securities, including the SLEECs and Voting Trust Units (collectively, the "**Trust Securities**") in order to provide SLA with a cost effective means of raising capital for Canadian insurance regulatory purposes by means of: (i) creating and selling the Trust Securities; and (ii) acquiring and holding assets, which will consist primarily of a senior unsecured debenture of SLA (the "**SLA Debenture**") and other eligible assets specified in the Prospectus (collectively, the "**Trust Assets**"). The Trust Assets will generate income for the payment of principal, interest, the redemption price, if any, and any other amounts, in respect of the Trust's debt securities, including the SLEECs. The Trust will not carry on any operating activity other than in connection with offerings of Trust Securities and in connection with the Trust Assets.
15. No Trust Securities are currently listed on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

### **SLEECs**

16. The SLEECs have been structured with the intention of achieving Tier 1 regulatory capital for purposes of the Capital Guidelines issued by the Superintendent.
17. From the date of issue until December 31, 2108, the Trust will pay interest on the SLEECs in equal (subject to the reset of the interest rate and except for the first interest payment) semi-annual instalments on June 30 and December 31 of each year (except for December 31, 2009) (each an "**Interest Payment Date**"). Starting on December 31, 2019, and on every fifth anniversary of such date thereafter until December 31, 2104 (each such date, an "**Interest Reset Date**"), the interest rate on the SLEECs will be reset at an interest rate per annum equal to the Government of Canada Yield plus 3.40%.
18. Pursuant to an assignment, set-off and trust agreement entered into among the Trust, SLA, SLF and CIBC Mellon Trust Company as indenture trustee, dated November 20, 2009 (the "**Assignment, Set-Off and Trust Agreement**"), SLA and SLF have agreed, for the benefit of the holders of the SLEECs, that if (i) SLA elects, at its sole option, prior to the commencement of the interest period ending on the day preceding the relevant Interest Payment Date, that holders of SLEECs invest interest payable on the SLEECs on the relevant Interest Payment Date in a new series of Class A Shares of SLA (the "**SLA Deferral Preferred Shares**"), or (ii) for whatever reason, interest is not paid in full in cash on the SLEECs on any Interest Payment Date (in the case of either (i) or (ii), an "**Other Deferral Event**"), (a) SLA will not declare cash dividends on any SLA Public Preferred Shares (as defined below), or (b) if no SLA Public Preferred Shares are outstanding, SLF will not declare or pay cash dividends on any of its preferred shares or common shares (collectively, the "**Dividend Restricted Shares**"), and (c) in cases where clause (a) applies, neither SLF nor any subsidiary of SLF may make any payment to holders of SLA Public Preferred Shares in respect of dividends not

declared by SLA, and neither SLF nor any subsidiary of SLF may purchase any SLA Public Preferred Shares, or, in cases where clause (b) applies, neither SLF nor any subsidiary of SLF may make any payment to holders of Dividend Restricted Shares in respect of dividends not declared by SLF, and neither SLF nor any subsidiary of SLF may purchase any Dividend Restricted Shares, provided that any subsidiary of SLF whose primary business is dealing in securities may purchase SLA Public Preferred Shares or Dividend Restricted Shares in certain limited circumstances as permitted in the ICA or the regulations thereunder, in any case until the sixth month following the relevant Interest Payment Date (the “**Dividend Stopper Undertaking**”). Accordingly, it is in the interest of SLA and SLF to ensure, to the extent within their control, that the Trust pays the interest in cash on the SLEECs on each Interest Payment Date so as to avoid triggering the Dividend Stopper Undertaking. “**SLA Public Preferred Shares**” means, at any time, preferred shares of SLA which, at that time: (i) have been issued to the public (excluding any preferred shares of SLA held beneficially by affiliates of SLA); (ii) are listed on a recognized stock exchange; and (iii) have an aggregate liquidation entitlement of at least \$200 million.

19. On each Interest Payment Date on which a Deferral Event (as defined below) has occurred, holders of SLEECs will be required to invest interest paid on the SLEECs in SLA Deferral Preferred Shares. A “**Deferral Event**” means: (i) an Other Deferral Event, or (ii) SLA has failed to declare cash dividends on its Class B shares Series A or, if any SLA Public Preferred Shares are outstanding, SLA has failed to declare cash dividends on any of its SLA Public Preferred Shares in accordance with their respective terms, in either case, in the last 90 days preceding the commencement of the interest period ending on the day preceding the relevant Interest Payment Date.
20. The SLA Deferral Preferred Shares will pay quarterly non-cumulative preferential cash dividends, as and when declared by the board of directors of SLA (the “**Board of Directors**”), subject to the provisions of the ICA, at the Perpetual Preferred Share Rate, subject to any withholding tax.
21. Prior to the issuance of any SLA Deferral Preferred Shares in respect of a Deferral Event, SLA will not, without the prior approval of the Superintendent and the prior approval of the holders of the SLEECs, amend any terms attaching to such SLA Deferral Preferred Shares, provided that the prior approval of the holders of the SLEECs will not be required in the case of amendments relating to the Class A shares of SLA as a class.
22. The SLEECs, including accrued and unpaid interest thereon, will be exchanged automatically, without the consent of the holders thereof, for newly issued Class A shares Series V of SLA (“**SLA Exchange Preferred Shares**”) if: (i) an application for a winding-up order in respect of SLA pursuant to the *Winding-Up and Restructuring Act* (Canada) is filed by the Attorney General of Canada or a winding-up order in respect of SLA pursuant to that Act is granted by a court; (ii) the Superintendent advises SLA in writing that the Superintendent has taken control of SLA or its assets pursuant to the ICA; (iii) the Superintendent advises SLA in writing that the Superintendent is of the opinion that SLA has a net Tier 1 capital ratio of less than 75% or an MCCSR ratio of less than 120%; (iv) the Board of Directors of SLA advises the Superintendent in writing that SLA has a net Tier 1 capital ratio of less than 75% or an MCCSR ratio of less than 120%; or (v) the Superintendent directs SLA pursuant to the ICA to increase its capital or provide additional liquidity and SLA elects to cause the Automatic Exchange as a consequence of the issuance of such direction or SLA does not comply with such direction to the satisfaction of the Superintendent within the time specified therein (the “**Automatic Exchange**”).
23. Pursuant to a share exchange agreement among SLA, SLF, the Trust and CIBC Mellon Trust Company as exchange trustee (the “**Exchange Trustee**”) dated November 20, 2009 (the “**Share Exchange Agreement**”), SLA has granted to the Exchange Trustee, for the benefit of the holders of the SLEECs, the right to exchange SLEECs for SLA Exchange Preferred Shares upon an Automatic Exchange and the Exchange Trustee on behalf of the holders of SLEECs has granted to SLA the right to exchange SLEECs for SLA Exchange Preferred Shares upon an Automatic Exchange. Pursuant to the Share Exchange Agreement, SLA has covenanted to take or refrain from taking certain actions so as to ensure that holders of SLEECs will receive the benefit of the Automatic Exchange, including obtaining the requisite approval of holders of the SLEECs to any amendment to the provisions of the SLA Exchange Preferred Shares (other than any amendments relating to the Class A shares of SLA as a class).
24. The SLA Exchange Preferred Shares will pay quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors of SLA, subject to the provisions of the ICA, at the Perpetual Preferred Share Rate, subject to any applicable withholding tax.
25. If the SLEECs have not been exchanged for SLA Exchange Preferred Shares pursuant to the Automatic Exchange, SLA will not, without the prior approval of the Superintendent (if required) and the prior approval of the holders of the SLEECs, amend any terms attaching to the SLA Exchange Preferred Shares, provided that the prior approval of the holders of SLEECs will not be required in the case of amendments relating to the Class A shares of SLA as a class.
26. The SLF Preferred Share Guarantee will apply to preferred shares of SLA outstanding from time to time, including the Class A shares of SLA issuable upon a Deferral Event or an Automatic Exchange. In circumstances where SLF is not

the subject of a winding-up order, the SLF Preferred Share Guarantee will entitle the holder to receive payment from SLF within 15 days of any failure by SLA to pay a declared dividend or to pay the redemption price for such shares and, in the case of any amount remaining unpaid with respect to the preference of the preferred shares of SLA upon a winding-up of SLA, within 15 days of the later of the date of the final distribution of property of SLA to its creditors and the date of the final distribution of surplus of SLA, if any, to its shareholders. In circumstances where SLF is the subject of a winding-up order, the SLF Preferred Share Guarantee will entitle the holder to receive payment from SLF within 15 days of the determination of the final distribution of surplus of SLF, if any, to SLF's shareholders. Claims under the SLF Preferred Share Guarantee will be subordinate to all outstanding indebtedness and liabilities of SLF unless otherwise provided by the terms of the instrument creating or evidencing any such liability. In the event that a failure to pay declared dividends, the redemption price or the liquidation preference of SLA preferred shares occurs at a time when SLF is subject to a winding-up order, the SLF Preferred Share Guarantee has been structured so that the amount payable by SLF under the SLF Preferred Share Guarantee will be subject to reduction such that the claims of holders of the respective class of preferred shares of SLA under the SLF Preferred Share Guarantee will, in effect, rank equally with the claims of holders of the respective class of preferred shares of SLF to any surplus assets of SLF remaining for distribution.

27. The SLEECs have been structured to achieve Tier 1 regulatory capital for purposes of the guidelines of the Superintendent.
28. On or after December 31, 2014, the Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of the SLEECs, redeem the SLEECs, in whole or in part. The redemption price per \$1,000 principal amount of SLEECs redeemed on any day that is not an Interest Reset Date in respect of the SLEECs will be equal to the greater of par and the Canada Yield Price, and the redemption price per \$1,000 principal amount of SLEECs redeemed on any Interest Reset Date in respect of the SLEECs will be par, together in each case with accrued and unpaid interest to but excluding the date fixed for redemption, subject to any applicable withholding tax.
29. The Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of SLEECs, redeem all (but not less than all) of the SLEECs upon the occurrence of certain regulatory or tax events affecting SLA or the Trust. The redemption price per \$1,000 principal amount of the SLEECs will be equal to par, together with accrued and unpaid interest to but excluding the date fixed for redemption, subject to any applicable withholding tax.
30. The SLEECs are direct unsecured obligations of the Trust, ranking at least equally with other subordinated indebtedness of the Trust from time to time issued and outstanding. In the event of the insolvency or winding-up of the Trust, the indebtedness evidenced by SLEECs issued by the Trust will be subordinate in right of payment to the prior payment in full of all other liabilities of the Trust except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by the SLEECs.
31. Neither SLA nor SLF will assign or otherwise transfer any of its obligations under the Share Exchange Agreement or the Assignment, Set-Off and Trust Agreement, except in the case of a merger, consolidation, amalgamation or reorganization or a sale of substantially all of the assets of SLA or SLF.
32. SLA has covenanted that all of the outstanding Voting Trust Units will be held at all times by SLA.
33. As long as any SLEECs are outstanding and held by any person other than SLA or any of its affiliates, the Trust may only be terminated with the approval of the holder of the Voting Trust Units and, if required, with the prior approval of the Superintendent and SLA and SLF will not take any action to cause the termination of the Trust except (i) prior to December 31, 2014 upon the occurrence of certain regulatory or tax events affecting SLA or the Trust or (ii) on or after December 31, 2014 for any reason. The holders of SLEECs will not be entitled to initiate proceedings for the termination of the Trust. So long as any SLEECs are outstanding and held by any person other than SLA or any of its affiliates, neither SLA nor SLF will approve the termination of the Trust unless the Trust has sufficient funds to pay the redemption price of the SLEECs.
34. The SLEECs are non-voting except in certain limited circumstances set out in the Declaration of Trust. The Voting Trust Units entitle the holder thereof (i.e. SLA) to vote in respect of certain matters regarding the Trust.
35. Pursuant to an administration agreement dated November 6, 2009, as amended and restated on November 20, 2009 and as it may be further amended and restated from time to time, entered into between the Trustee and SLA, the Trustee has delegated to SLA certain of its obligations in relation to the administration of the Trust. SLA, as administrative agent, will, at the request of the Trustee, administer the day-to-day operations of the Trust and perform such other matters as may be requested by the Trustee from time to time.

36. The Trust may, from time to time, issue additional series of Notes, the proceeds of which would be used to acquire additional Trust Assets.
37. Because of the terms of the Trust Securities, the Share Exchange Agreement, the Assignment, Set-Off and Trust Agreement and the various covenants of SLA and SLF, and given that the SLF Preferred Share Guarantee will apply to the Class A shares of SLA issuable upon the occurrence of an Automatic Exchange or Deferral Event, information about the affairs and financial performance of SLA and SLF, as opposed to that of the Trust, is meaningful to holders of SLEECs. SLF and SLA's filings will provide holders of SLEECs and the general investing public with all information required in order to make an informed decision relating to an investment in SLEECs and any other Notes that the Trust may issue from time to time. Information regarding SLF and SLA is relevant both to an investor's expectation of being paid the principal, interest and redemption price, if any, and any other amount on the SLEECs when due and payable.
38. SLF has delivered to the Ontario Securities Commission an undertaking (the "**Responsible Issuer Undertaking**") addressed to all the securities regulatory authorities in Canada confirming that: (i) for so long as SLA and the Trust both qualify for the Exemption Sought, SLF will be considered a "responsible issuer" for purposes of determining SLF's liability under Part XXIII.1 of the *Securities Act* (Ontario) and equivalent applicable securities legislation in all other provinces and territories of Canada (the "**Applicable Legislation**") as if the Notes were an "issuer's security" of SLF for purposes of such Part and the Applicable Legislation; and (ii) for greater certainty, pursuant to the definition of "issuer's security" in section 138.1 of the *Securities Act* (Ontario) and the Applicable Legislation, SLA Deferral Preferred Shares and SLA Exchange Preferred Shares guaranteed by SLF constitute issuer's securities of SLF for purposes of determining SLF's liability under Part XXIII.1 of the *Securities Act* (Ontario) and the Applicable Legislation. SLF has filed the Responsible Issuer Undertaking on its SEDAR profile.

### **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) in respect of the Continuous Disclosure Obligations:
- (i) each of SLF and SLA remains a reporting issuer under the Legislation and has filed all continuous disclosure documents that it is required to file by the Legislation subject to any applicable exemptions;
  - (ii) the Trust files a notice on SEDAR indicating that it is relying on the continuous disclosure filings of SLF and SLA referred to in paragraph (a)(i) of this Decision and setting out where those documents can be found for viewing in electronic format;
  - (iii) at any time SLA is exempt from filing such documents, the Trust sends, or causes SLF or SLA to send, SLF's interim and annual financial statements and interim and annual MD&A required by NI 51-102 to holders of the Trust's debt securities, at the same time and in the same manner as if the holders of the Trust's debt securities were holders of preferred shares of SLF;
  - (iv) at any time SLA is not exempt from filing such documents, the Trust sends, or causes SLA to send, SLA's interim and annual financial statements and interim and annual MD&A required by NI 51-102 to holders of the Trust's debt securities, at the same time and in the same manner as if the holders of the Trust's debt securities were holders of preferred shares of SLA;
  - (v) all outstanding securities of the Trust are either Notes or Voting Trust Units;
  - (vi) the rights and obligations of the holders of additional series of Notes of the Trust are the same in all material respects as the rights and obligations of the holders of the SLEECs, with the exception of economic terms such as the interest payable by the Trust, maturity date and redemption dates and prices;
  - (vii) SLA remains the direct owner of all of the issued and outstanding voting securities of the Trust, including the Voting Trust Units;
  - (viii) SLF remains the beneficial owner of all of the issued and outstanding voting securities of SLA;

- (ix) the Trust does not carry on any operating activity other than in connection with offerings of its securities and the Trust has minimal assets, operations, revenues or cash flows other than those related to the SLA Debenture or the issuance, administration and repayment of the Trust Securities;
  - (x) SLA, as holder of the Voting Trust Units, will not propose changes to the terms and conditions of any outstanding Notes that would result in Notes being exchangeable for securities other than SLA Exchange Preferred Shares;
  - (xi) the Trust issues a news release and files a material change report in accordance with Part 7 of NI 51-102, as amended, supplemented or replaced from time to time, in respect of any material change in the affairs of the Trust that is not also a material change in the affairs of SLF or SLA;
  - (xii) in any circumstances where the SLEECs (or any additional series of Notes) are voting, the Trust will comply with Part 9 of NI 51-102; and
  - (xiii) the Trust complies with Parts 4A, 4B, 11 and 12 of NI 51-102.
- (b) in respect of the Certification Obligations:
- (i) the Trust is not required to, and does not, file its own interim filings and annual filings (as those terms are defined in NI 52-109); and
  - (ii) the Trust is and continues to be exempted from the Continuous Disclosure Obligations and SLF, SLA and the Trust are in compliance with the conditions set out in paragraph (a) above.
- (c) this decision shall expire 30 days after the date that a material adverse change occurs in the representations of SLF, SLA or the Trust in this decision.

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

**2.1.10 Cadillac Ventures Holdings Inc. – s. 1(10)**

“Michael Brown”  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

**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 8, 2010

Cadillac Ventures Holdings Inc.  
c/o Lang Michener LLP  
Brookfield Place, P.O. Box 747  
181 Bay Street, Suite 2500  
Toronto, Ontario M5J 2T7

Attention: Denno Chen

Dear Sirs/Mesdames:

**Re: Cadillac Ventures Holdings Inc. (the “Applicant”) – Application for a decision under the securities legislation of Alberta and Ontario that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

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



**2.1.11 Stonefire Energy Corp. – s. 1(10)**

“Blaine Young”  
Associate Director, Corporate Finance  
Alberta Securities Commission

**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).

January 29, 2010

Osler, Hoskin & Harcourt LLP  
2500, Transcanada Tower  
450 - 1 Street SW  
Calgary, AB T2P 5H1

**Attention: Rummy Basra**

Dear Madam:

**Re: Stonefire Energy Corp. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

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

**2.1.12 AutoCanada Income Fund – 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 4, 2010

Borden Ladner Gervais LLP  
1000 Canterra Tower  
400 - 3 Avenue SW  
Calgary, AB T2P 4H2

**Attention: Matthew P. Webster**

Dear Sir:

**Re: AutoCanada Income Fund (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

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

ceased to be a reporting issuer and that the Applicant's status as a reporting issuer is revoked.

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

**2.1.13 Coretec Inc. – s. 1(10)**

**Headnote**

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

**Applicable Legislative Provisions**

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

February 10, 2010

Coretec Inc.  
c/o Lang Michener LLP  
Brookfield Place, P.O. Box 747  
181 Bay Street, Suite 2500  
Toronto, Ontario M5J 2T7

Attention: Denno Chen

Dear Sirs/Mesdames:

**Re: Coretec Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island (collectively, the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision

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

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

## 2.1.14 Inca Pacific Resources Inc.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102 Continuous Disclosure Obligations – National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings – National Instrument 52-110 Audit Committees – National Instrument 58-101 Disclosure of Corporate Governance Practices – The Filer seeks relief from the requirement in s.1.1 definition of "venture issuer" in each instrument, that a reporting issuer not have any of its securities listed or quoted on a marketplace outside of Canada and the United States of America, in order to remain listed on the Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo da la Bolsa de Valores de Lima) – A venture issuer with common shares listed on the TSXV wants to list on an exchange that does not meet the requirements of the definition of a venture issuer; the relevant exchange is a junior market that has similar requirements as the TSXV; the exchange requires the issuer to comply with TSXV requirements in order to acquire and maintain listing on that exchange; to remain a venture issuer, the issuer must continue to have its common shares listed on the TSXV and the exchange must remain a junior market.

### Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 1.1, 13.1.

National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, ss. 1.1, 4.5.

National Instrument 52-110 Audit Committees, ss. 1.1, 8.1.

National Instrument 58-101 Disclosure of Corporate Governance Practices, ss. 1.1, 3.1.

May 11, 2009

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

**AND**

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

**AND**

**IN THE MATTER OF  
INCA PACIFIC RESOURCES INC.  
(the Filer)**

**DECISION**

### Background

- 1 The securities regulatory authority or regulator in each of the Jurisdictions (collectively, the Decision Makers) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief from the requirement in the definition of "venture issuer" in section 1.1 of each of National Instrument 51-102 – *Continuous Disclosure Obligations*, National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* that a reporting issuer not, at the relevant time, have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc (the Exemption Sought).

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

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (MI 11-102) is intended to be relied upon in Alberta and Manitoba; and

- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### Interpretation

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

In this decision,

“Exchange” means the Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo de la Bolsa de Valores de Lima) in Peru; and

“TSXV” means the TSX Venture Exchange.

### Representations

- 3 This decision is based on the following facts represented by the Filer:
1. the Filer was incorporated under the *Business Corporations Act* (British Columbia) and its registered and head office is in Vancouver, British Columbia;
  2. the Filer is a reporting issuer in British Columbia, Alberta, Manitoba, and Ontario (the Reporting Jurisdictions);
  3. the Filer’s principal asset, the Magistral mining project, is located in Peru;
  4. the common shares of the Filer (the Shares) are listed on the TSXV under the trading symbol “IPR” and, since September 17, 2007, on the Exchange;
  5. the Filer listed its common shares on the Exchange due to the Filer’s connection to Peru and to facilitate the sale and transfer of its common shares in Peru;
  6. from September 17, 2007 to the date of this decision, the Filer has been in default of securities legislation requirements in the Reporting Jurisdictions that apply to a non-venture issuer;
  7. the Filer acknowledges that any right of action, remedy, penalty and/or sanction available to any person or company or to a securities regulatory authority against the Filer from September 17, 2007 until the date of this decision are not terminated or altered as a result of this decision;
  8. the Exchange is a junior market;
  9. the Exchange is similar to the TSXV in terms of its requirements as the requirements of the Exchange were modelled after those of the TSXV;
  10. the Exchange requires the Filer to comply with TSXV requirements in order to maintain its listing; the Exchange also requires that the Filer file with the Exchange Spanish translated copies of all public disclosure documents filed with Canadian securities regulators; and
  11. the information that the Filer has provided about the Exchange (and its status as a junior market) is accurate as at the date of this decision.

### Decision

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

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

- (a) the Exchange is not restructured in a manner that makes it unreasonable to conclude that it is still a junior market;
- (b) the representations listed in sections 8 to 11 above continue to be true;

- (c) the Filer continues to have the Shares listed on the TSXV; and
- (d) the Filer does not have any securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Exchange, the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

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

## 2.1.15 Inca Pacific Resources Inc.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102 Continuous Disclosure Obligations – National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings – National Instrument 52-110 Audit Committees – National Instrument 58-101 Disclosure of Corporate Governance Practices – The Filer seeks relief from the requirement in section 1.1 of the definition of "venture issuer" in each instrument that a reporting issuer not have any of its securities listed or quoted on a marketplace outside of Canada and the United States of America, in order to remain listed on the Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo da la Bolsa de Valores de Lima) – A venture issuer with common shares listed on the TSXV wants to list on an exchange that does not meet the requirements of the definition of venture issuer; the relevant exchange is a junior market that has similar requirements as the TSXV; the exchange requires the issuer to comply with TSXV requirements in order to acquire and maintain listing on that exchange; to remain a venture issuer, the issuer must continue to have its common shares listed on the TSXV and the exchange must remain a junior market.

Securities Act (Ontario) s. 144 – revocation of previous decision – Issuer wants a prior decision revoked – Since the prior order was granted the issuer's circumstances have changed; certain conditions to the relief are no longer appropriate; alternative conditions are included that address the issuer's new circumstances.

### Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 1.1, 13.1.  
National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, ss. 1.1, 4.5.  
National Instrument 52-110 Audit Committees, ss. 1.1, 8.1.  
National Instrument 58-101 Disclosure of Corporate Governance Practices, ss. 1.1, 3.1.  
Securities Act, R.S.O. 1990, c. S.5, as am, s. 144.

February 4, 2010

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

**AND**

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

**AND**

**IN THE MATTER OF  
INCA PACIFIC RESOURCES INC.  
(the Filer)**

**DECISION**

### Background

- 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation):
  1. for relief from the requirement in the definition of venture issuer in section 1.1 of each of National Instrument 51-102 – *Continuous Disclosure Obligations*, National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* that a reporting issuer not, at the relevant time, have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc (the Exemption Sought); and

2. the order granted to the Filer on May 11, 2009 (the Prior Order) be revoked.

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

- (a) the British Columbia Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (MI 11-102) is intended to be relied upon in Alberta and Manitoba; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### Interpretation

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

In this decision,

“Exchange” means Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo de la Bolsa de Valores de Lima) in Peru; and

“TSXV” means the TSX Venture Exchange.

### Representations

- 3 This decision is based on the following facts represented by the Filer:
  1. the Filer was incorporated under the *Business Corporations Act* (British Columbia) and its registered and head office is in Vancouver, British Columbia;
  2. the Filer is a reporting issuer in British Columbia, Alberta, Manitoba and Ontario (the Reporting Jurisdictions);
  3. the Filer’s principal asset, the Magistral mining project, is located in Peru;
  4. the common shares of the Filer (the Shares) are listed on the TSXV under the trading symbol “IPR” and, since September 17, 2007, on the Exchange;
  5. the Filer listed the Shares on the Exchange due to the Filer’s connection to Peru and to facilitate the sale and transfer of the Shares in Peru;
  6. since September 17, 2007 to the date of this decision, the Filer has been in default of securities legislation requirements in the Reporting Jurisdictions that apply to a non-venture issuer;
  7. the Filer acknowledges that any right of action, remedy, penalty or sanction available to any person or company or to a securities regulatory authority against the Filer from September 17, 2007 until the date of this decision are not terminated or altered as a result of this decision;
  8. the Exchange is a junior market;
  9. the Exchange is similar to the TSXV in terms of its requirements since the requirements of the Exchange were modelled after those of the TSXV;
  10. the Exchange requires the Filer to comply with TSXV requirements in order to maintain its listing; the Exchange also requires that the Filer file with the Exchange copies of all public disclosure documents filed with Canadian securities regulators (Canadian Disclosure Documents);
  11. the information that the Filer has provided about the Exchange (and its status as a junior market) herein is accurate as at the date of this decision; and
  12. the Decision Makers granted the Exemption Sought in the Prior Order; the Prior Order contained a representation from the Filer that the Exchange requires that the Filer file with the Exchange Spanish translated copies of the Canadian Disclosure Documents; the Filer has advised staff in the Jurisdictions that



there is no requirement to file with the Exchange Spanish translated copies of the Canadian Disclosure Documents.

**Decision**

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

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

- (a) the Exchange is not restructured in a manner that makes it unreasonable to conclude that it is still a junior market;
- (b) the representations listed in sections 8 to 11 above continue to be true;
- (c) the Filer continues to have the Shares listed on the TSXV; and
- (d) the Filer does not have any securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Exchange, the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The decision of the Decision Makers under the Legislation that is the Prior Order is revoked.

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

**2.2 Orders**

**2.2.1 Uranium308 Resources Inc. et al. – s. 127**

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

**AND**

**IN THE MATTER OF  
URANIUM308 RESOURCES INC.,  
URANIUM308 RESOURCES PLC.,  
MICHAEL FRIEDMAN, GEORGE SCHWARTZ,  
PETER ROBINSON, ALAN MARSH SHUMAN,  
AND INNOVATIVE GIFTING INC.**

**ORDER  
(Section 127)**

**WHEREAS** on February 20, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering: that all trading in securities by Uranium308 Resources Inc. shall cease and that all trading in Uranium308 Resources Inc. securities shall cease; that all trading in securities by Uranium308 Resources Plc. shall cease and that all trading in Uranium308 Resources Plc. securities shall cease; that all trading in securities by Innovative Gifting Inc. shall cease; and, that Michael Friedman, Peter Robinson, George Schwartz, and Alan Marsh Shuman cease trading in all securities (the "Temporary Order");

**AND WHEREAS**, on February 20, 2009, 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 February 23, 2009 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on March 6, 2009 at 10:00 a.m.;

**AND WHEREAS** the Notice of Hearing set out that the Hearing was to consider, inter alia, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127 (7) and (8) of the Act, to extend the Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

**AND WHEREAS** on March 6, 2009, a hearing was held before the Commission and Michael Friedman ("Friedman") and Innovative Gifting Inc. ("IGI") were represented by counsel and counsel advised the Commission that they were not opposed to the extension of the Temporary Order;

**AND WHEREAS** on March 6, 2009, Uranium308 Resources Inc., Uranium308 Resources Plc., Alan Marsh Shuman ("Shuman"), Peter Robinson ("Robinson"), and

George Schwartz ("Schwartz") did not appear before the Commission to oppose Staff of the Commission's ("Staff") request for the extension of the Temporary Order;

**AND WHEREAS** on March 6, 2009, the Commission was satisfied that Staff had taken reasonable efforts to serve all of the respondents with copies of the Temporary Order, the Notice of Hearing, and the Evidence Brief of Staff as evidenced by the Affidavit of Kathleen McMillan, sworn on March 5, 2009, and filed with the Commission;

**AND WHEREAS** on March 6, 2009, the Commission considered the evidence and submissions before it and the Commission was of the opinion that: in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest; and, it was in the public interest to extend the Temporary Order;

**AND WHEREAS** on March 6, 2009, the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order was extended to July 13, 2009 and that the hearing in this matter was adjourned to July 10, 2009, at 10:00 a.m. (the "March Order");

**AND WHEREAS** on July 10, 2009, a hearing was held before the Commission and Friedman and IGI were represented by counsel;

**AND WHEREAS** on July 10, 2009, the Commission was satisfied that Staff had served the March Order on all of the respondents as evidenced by the Affidavit of Kathleen McMillan, sworn on July 8, 2009, and filed with the Commission;

**AND WHEREAS** on July 10, 2009, Staff advised the Commission that Staff were seeking the extension of the Temporary Order until the end of November, 2009;

**AND WHEREAS** on July 10, 2009, counsel for Friedman advised the Commission that Friedman was not opposed to the extension of the Temporary Order and counsel for IGI advised the Commission that IGI was opposed to the extension requested;

**AND WHEREAS** on July 10, 2009, Uranium308 Resources Inc., Uranium308 Resources Plc., Shuman, Robinson, and Schwartz did not appear before the Commission to oppose Staff's request for the extension of the Temporary Order;

**AND WHEREAS** on July 10, 2009, counsel for Staff advised the Commission that Schwartz and Jim Adams, the former President of Uranium308 Resources Plc., had advised Staff that they were not opposed to Staff's request for the extension of the Temporary Order;

**AND WHEREAS** the Commission considered the evidence and submissions before it;

**AND WHEREAS** on July 10, 2009, the Commission ordered, pursuant to subsection 127(8) of the

Act, that the Temporary Order was extended to 11:59 p.m. on November 30, 2009; and, that the hearing in this matter was adjourned to November 30, 2009, at 2:00 p.m. or such other time as advised by the Office of the Secretary of the Commission;

**AND WHEREAS** on November 30, 2009, a hearing was held before the Commission;

**AND WHEREAS** on November 30, 2009, the Commission was satisfied that Staff had served all of the respondents with Staff's materials for the November 30, 2009 hearing, as evidenced by the Affidavit of Natasha Quamina, sworn on November 30, 2009, and filed with the Commission;

**AND WHEREAS** on November 30, 2009, Staff advised the Commission that Staff were seeking the extension of the Temporary Order until the end of January or early February, 2010;

**AND WHEREAS** on November 30, 2009, counsel for Friedman attended before the Commission and advised the Commission that Friedman was not opposed to the extension of the Temporary Order;

**AND WHEREAS** on November 30, 2009, Counsel for Staff advised the Commission that Schwartz, IGI, and Uranium308 Resources PLC. were not opposed to the extension of the Temporary Order;

**AND WHEREAS** on November 30, 2009, Uranium308 Resources Inc., Shuman and Robinson did not appear before the Commission to oppose Staff's request for the extension of the Temporary Order;

**AND WHEREAS** on November 30, 2009, the Commission ordered that the Temporary Order was extended to February 4, 2010 and the hearing was adjourned to February 3, 2010 at 10 a.m.;

**AND WHEREAS** on February 3, 2010, a hearing was held before the Commission and Staff of the Commission, counsel for Robinson and counsel for Friedman appeared and made submissions;

**AND WHEREAS** on February 3, 2010, Staff filed the Affidavit of Kathleen McMillan, sworn on January 28, 2010, which evidenced the consent of Schwartz, Friedman, IGI, and Uranium308 Resources Plc. to an adjournment of the hearing and an extension of the Temporary Order;

**AND WHEREAS** on February 3, 2010, counsel for Robinson did not oppose Staff's request for an adjournment and an extension of the Temporary Order;

**AND WHEREAS** on February 3, 2010, no one appeared on behalf of Uranium308 Resources Inc. and Shuman did not appear, despite being notified of the hearing date;

**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 extended until March 8, 2010; and

**IT IS FURTHER ORDERED** that the hearing with respect to this matter is adjourned to March 5, 2010, at 10:30 a.m.

**DATED** at Toronto this 3rd day of February, 2010.

"David L. Knight"

**2.2.2 Peter Robinson and Platinum International Investments Inc.**

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

**AND**

**IN THE MATTER OF  
PETER ROBINSON AND  
PLATINUM INTERNATIONAL INVESTMENTS INC.**

**ORDER**

**WHEREAS** on December 18, 2009, the Secretary of the Commission issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission at 20 Queen Street West, on Monday, January 11th, 2010 at 11 a.m., or as soon thereafter as the hearing can be held;

**WHEREAS** the Notice of Hearing provides for the Commission to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to s. 127(5) of the Act to issue a temporary order that:

The respondents, Platinum International Investments Inc. ("Platinum") and Peter Robinson ("Robinson") (collectively the "Respondents") shall cease trading in any securities;

**AND WHEREAS** Staff served the Respondents with copies of the Notice of Hearing and Staff's Statement of Allegations dated December 17, 2009, as evidenced by the Affidavit of Kathleen McMillan sworn on January 11, 2009, and filed with the Commission;

**AND WHEREAS** Staff served the Respondents with a copy of the Affidavit of Lori Toledano, affirmed on January 8, 2010, as evidenced by the Affidavit of Service of Kathleen McMillan sworn on January 8, 2010;

**AND WHEREAS** on January 11, 2010 Staff of the Commission and Robinson appeared before the Commission and made submissions. Robinson appeared in his personal capacity and as the sole registered director of Platinum. During the hearing on January 11, 2010, Robinson advised the Commission that he consented to the issuance of a temporary cease trade order against himself and against Platinum;

**AND WHEREAS** on January 11, 2010, Robinson requested an adjournment of the hearing in order to retain counsel;

**AND WHEREAS** on January 11, 2010, the panel of the Commission considered the Affidavit of Lori Toledano and the submissions made by Staff and Robinson;

**AND WHEREAS** on January 11, 2010, the panel of the Commission ordered, pursuant to section 127 (5) of the Act, that Robinson and Platinum cease trading in any securities (the "Temporary Cease Trade Order") and that the Temporary Cease Trade Order is extended, pursuant to section 127(8) of the Act, until February 4, 2010;

**AND WHEREAS** on January 11, 2010, the panel of the Commission ordered that the hearing with respect to this matter was adjourned to February 3, 2010, at 9:00 a.m.;

**AND WHEREAS** on February 3, 2010, Staff of the Commission and counsel for Robinson and Platinum appeared before the Commission and made submissions;

**AND WHEREAS** on February 3, 2010, Staff requested an adjournment of the hearing and an extension of the Temporary Cease Trade Order and counsel for Robinson did not oppose Staff's request;

**AND WHEREAS** the panel of 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 Cease Trade Order is extended until March 8, 2010; and

**IT IS FURTHER ORDERED** that the hearing with respect to this matter is adjourned to March 5, 2010, at 10:00 a.m.

**DATED** at Toronto this 3rd day of February, 2010.

"David L. Knight"

**2.2.3 Paladin Capital Markets Inc. et al. – ss. 127(1), 127(7), 127(8)**

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

**AND**

**IN THE MATTER OF  
PALADIN CAPITAL MARKETS INC. ,  
JOHN DAVID CULP AND  
CLAUDIO FERNANDO MAYA**

**ORDER**

**Sections 127(1), 127(7) and 127(8)**

**WHEREAS** on June 2, 2009, the Ontario Securities Commission (the “Commission”) issued a temporary order (the “Temporary Order”) pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) ordering that:

1. Under s. 127(1)1 of the Act, the registration of Paladin and Culp be suspended;
2. Under s. 127(1)2 of the Act, all trading in any securities by the Respondents cease;
3. Under s. 127(1)2 of the Act, all trading in securities of Paladin cease; and
4. Under s. 127(1)3 of the Act, all exemptions contained in Ontario securities law do not apply to the Respondents;

**AND WHEREAS** on June 2, 2009, 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 June 4, 2009 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on June 15, 2009 at 10:00 a.m.;

**AND WHEREAS** the Commission held a hearing on June 15, 2009 to consider whether to extend the Temporary Order;

**AND WHEREAS** counsel for Staff, Maya and Culp, on his own behalf and for Paladin, appeared at the hearing held on June 15, 2009;

**AND WHEREAS** Culp, on his own behalf and for Paladin, consented to the extension of the Temporary Order to September 30, 2009;

**AND WHEREAS** Maya consented to the extension of the Temporary Order to September 30, 2009,

subject to his right to contest the Temporary Order by hearing on July 2, 2009 at 2:30 p.m.;

**AND WHEREAS** on July 2, 2009, the Commission heard submissions from Staff and Maya as to the continuation of the Temporary Order against Maya;

**AND WHEREAS** on July 2, 2009, with reasons issued on July 10, 2009, the Commission was not satisfied that Maya had provided satisfactory information not to extend the temporary order;

**AND WHEREAS** the Commission held a hearing on September 29, 2009 to consider whether to extend the Temporary Order;

**AND WHEREAS** Maya and Culp, on his own behalf and for Paladin, and counsel for Staff, appeared at the hearing held on September 29, 2009;

**AND WHEREAS** the parties consented to the extension of the Temporary Order to December 1, 2009;

**AND WHEREAS** the Commission held a hearing on November 30, 2009 to consider whether to extend the Temporary Order;

**AND WHEREAS** counsel for Staff and Culp, on his own behalf and for Paladin, appeared at the hearing held on November 30, 2009;

**AND WHEREAS** counsel for Staff spoke to and provided an email in respect of Maya’s consent to an extension to the Temporary Order for a further two months;

**AND WHEREAS** at the hearing on November 30, 2009, Culp on his own behalf and for Paladin, and counsel for Staff consented to the extension of the Temporary Order to February 3, 2010;

**AND WHEREAS** the Commission held a hearing on February 2, 2010 to consider whether to extend the Temporary Order;

**AND WHEREAS** counsel for Staff but none of the Respondents appeared at the hearing held on February 2, 2010;

**AND WHEREAS** counsel for Staff spoke to and provided emails in respect of the Respondents’ consents to an extension to the Temporary Order until March 23, 2010;

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

**AND WHEREAS** by Commission order made August 31, 2009, pursuant to section 3.5(3) of the Act, any one of W. David Wilson, James E. A. Turner, David L. Knight, Carol S. Perry, Patrick J. LeSage, James D. Carnwath and Mary G. Condon, acting alone is authorized to exercise the powers of the Commission under the Act, subject to subsection 3.5(4) of the Act, to make orders under section 127 of the Act;

**IT IS ORDERED that:**

1. pursuant to sections 127(7) and 127(8), the Temporary Order is extended until March 23, 2010; and
2. the hearing is adjourned to March 22, 2010 at 2:00 p.m.

Dated at Toronto this 2nd day of February 2010.

"David L. Knight"  
Commissioner

**2.2.4 Paul Iannicca – s. 127**

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

**AND**

**IN THE MATTER OF  
PAUL IANNICCA**

**ORDER  
(Section 127 of the Securities Act)**

**WHEREAS** on March 13, 2009, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Act accompanied by a Statement of Allegations dated March 12, 2009, issued by Staff of the Commission ("Staff") with respect to Paul Iannicca ("Iannicca");

**AND WHEREAS** on March 13, 2009, counsel for Iannicca was served with the Notice of Hearing and Statement of Allegations;

**AND WHEREAS** on March 20, 2009, upon hearing submissions from counsel for Staff, the hearing was adjourned to May 26, 2009;

**AND WHEREAS** on May 26, 2009, the hearing was adjourned until June 25, 2009 for the purpose of having a pre-hearing conference;

**AND WHEREAS** on June 25, 2009, the hearing was adjourned until August 18, 2009 for any other purpose that the parties may advise the Office of the Secretary;

**AND WHEREAS** on August 18, 2009, counsel for Iannicca did not attend, but counsel for Staff informed the panel that both parties agreed to the adjournment of this hearing to October 7, 2009;

**AND WHEREAS** on August 18, 2009, upon hearing submissions from counsel for Staff, the hearing was adjourned to October 7, 2009;

**AND WHEREAS** on October 7, 2009, upon hearing submissions from counsel for Staff, the hearing was adjourned to a date to be agreed upon between the parties;

**AND WHEREAS** on October 16, 2009, upon receiving scheduling information from the parties, the hearing was adjourned until December 2, 2009;

**AND WHEREAS** on December 1, 2009, upon the request of all parties, the hearing was adjourned until January 7, 2010 at 10:00 a.m.;

**AND WHEREAS** on January 7, 2010, upon the request of all parties, the hearing was adjourned until February 3, 2010 at 11:00 a.m.;

**AND WHEREAS** on February 3, 2010, an in camera settlement hearing was commenced in front of the Commission and was not completed;

**IT IS ORDERED THAT** the settlement hearing is to be continued on February 10, 2010 at 8:30 a.m. or such other date as is agreed by the parties and determined by the Office of the Secretary.

**DATED** at Toronto this 3rd day of February, 2010.

“David L. Knight”

## **2.2.5 Cronus Resources Ltd. – s. 1(11)(b)**

### **Headnote**

Subsection 1(11)(b) – Order that the issuer is a reporting issuer for the purposes of Ontario securities law – Issuer already a reporting issuer in Alberta and British Columbia – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario – Issuer has a significant connection to Ontario.

### **Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
CRONUS RESOURCES LTD.**

**ORDER  
(clause 1(11)(b))**

**UPON** the application of Cronus Resources Ltd. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 1(11)(b) of the Act that the Applicant is a reporting issuer for the purposes of Ontario securities law;

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

**AND UPON** the Applicant having represented to the Commission as follows:

1. The Applicant was incorporated under the laws of the Province of British Columbia under the name “Crest Resources Ltd.” on July 2, 1986. The Applicant changed its name to “Sentinel Resources Ltd.” on March 23, 1992, and again changed its name to “Ulysses International Resources Ltd.” on August 30, 1995. By a Certificate of Continuance dated October 12, 1995, the Applicant was continued into Bermuda from the Province of British Columbia. The Applicant subsequently changed its name again to “Auric Resources Ltd.” on April 23, 2001. By Articles of Continuance dated November 1, 2001, the Applicant was continued from Bermuda into the Yukon Territory and changed its name to “Lalo Ventures Ltd.” By a Certificate of Continuance dated July 29, 2005, the Applicant continued from the Yukon Territory into the Province of British Columbia. The Applicant changed its name to “Sunrise Minerals Inc.” on December 16, 2005 and once again changed its name to “Cronus Resources Ltd.” on March 10, 2008. By Articles of

- Continuance dated November 23, 2009, the Applicant continued from the Province of British Columbia into the Province of Ontario.
2. The Applicant's head office is located at 1 University Avenue, Suite 401, Toronto, Ontario M5J 2P1.
3. The Applicant's registered office is located at 130 King Street West, Suite 2500, Toronto, Ontario M5X 1A9.
4. As of the date hereof, the Applicant's authorized share capital consists of an unlimited number of common shares (the **Common Shares**), of which 15,321,274 Common Shares are issued and outstanding. The Applicant has outstanding obligations to issue: (i) 4,453,750 Common Shares upon the exercise of 4,453,750 full common share purchase warrants; and (ii) 943,750 Common Shares upon the exercise of 943,750 common share purchase options.
5. The Applicant is currently a reporting issuer in Alberta and British Columbia and has been a reporting issuer under the *Securities Act* (Alberta) (the **Alberta Act**) since 1987 and the *Securities Act* (British Columbia) (the **BC Act**) since May 15, 1987.
6. The Applicant is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than Alberta and British Columbia.
7. As of the date hereof, the Applicant is not on the list of defaulting reporting issuers maintained pursuant to the Alberta Act or the BC Act and to the best of its knowledge is not in default of any of its obligations under the Alberta Act or the BC Act or the rules and regulations made thereunder.
8. The continuous disclosure document requirements of the Alberta Act and the BC Act are substantially the same as the continuous disclosure requirements under the Act.
9. The materials filed by the Applicant under the Alberta Act and the BC Act are available on the System for Electronic Document Analysis and Retrieval (**SEDAR**), with May 13, 1997 being the date of the first electronic filing on SEDAR by the Applicant.
10. The Applicant's Common Shares are listed and posted for trading on the TSX Venture Exchange (the **TSXV**) under the trading symbol "CZR". The Common Shares are not traded on any other stock exchange or trading or quotation system.
11. On October 9, 2009, the Applicant entered into an amended and restated letter of intent with Continental Gold Limited (**Continental**), an arm's length, privately-held Bermuda exploration company, pursuant to which the Applicant (or a subsidiary thereof) will amalgamate with Continental (the **Proposed Amalgamation**). The Applicant and Continental subsequently entered into a pre-amalgamation agreement on November 9, 2010. A special meeting of holders of the Applicant's Common Shares will be held on February 25, 2010 to consider the Proposed Amalgamation.
12. Trading of the Applicant's Common Shares was halted by the TSXV on October 9, 2009 in connection with the announcement of the Proposed Amalgamation. The halt was imposed in accordance with TSXV rules and policies.
13. The Applicant is not in default of any of the rules, regulations or policies of the TSXV.
14. Pursuant to the policies of the TSXV, the Applicant is required to make an application to become a reporting issuer in Ontario upon determining that the Applicant has a significant connection to Ontario.
15. Pursuant to the policies of the TSXV, the Applicant has undertaken an assessment of its shareholders base to determine whether or not the Applicant has a "significant connection to Ontario" as defined in the policies of the TSXV. As a result of that assessment, the Applicant has determined that the Applicant has come to have a significant connection to Ontario in that 13,770,509 Common Shares, representing approximately 90% of the Applicant's issued and outstanding Common Shares, are held directly or indirectly by residents of Ontario.
16. Neither the Applicant, nor any of its officers, directors, nor, to the knowledge of the Applicant or its officers and directors, any shareholder holding sufficient securities of the Applicant to affect materially the control of the Applicant, has:
  - a. been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;
  - b. entered into a settlement agreement with a Canadian securities regulatory authority; or
  - c. been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
17. Neither the Applicant, nor any of its officers, directors, nor to the knowledge of the Applicant and its officers and directors, any shareholder holding sufficient securities of the Applicant to



affect materially the control of the Applicant, is or has been subject to:

- a. any known ongoing or concluded investigations by a Canadian securities regulatory authority, or a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or
  - b. any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
18. Neither any of the officers or directors of the Applicant, nor, to the knowledge of the Applicant and its officers and directors, any shareholder holding sufficient securities of the Applicant to affect materially the control of the Applicant, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:
- a. any cease trade order or similar order, or order that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or
  - b. any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee within the preceding 10 years.
19. The Applicant will remit all participation fees due and payable by it pursuant to Ontario Securities Commission Rule 13-502 Fees by no later than two business days from the date of this Order.

**AND UPON** the Commission being satisfied that granting this Order would not be prejudicial to the public interest;

**IT IS HEREBY ORDERED** pursuant to clause 1(11)(b) of the Act that the Applicant is a reporting issuer for the purposes of Ontario securities law.

**DATED** this 1st day of February, 2010.

“Michael Brown”  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

**2.2.6 Hillcorp International Services et al. – ss. 127(1), 127(7), 127(8)**

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

**AND**

**IN THE MATTER OF  
HILLCORP INTERNATIONAL SERVICES,  
HILLCORP WEALTH MANAGEMENT,  
SUNCORP HOLDINGS, 1621852 ONTARIO LIMITED,  
STEVEN JOHN HILL, DARYL RENNEBERG AND  
DANNY DE MELO**

**ORDER  
Sections 127(1), 127(7) and 127(8)**

**WHEREAS** on July 21, 2009 the Ontario Securities Commission (the “Commission”) issued a temporary cease trade order (the “Temporary Order”) and on July 24, 2009 issued an amended temporary cease trade order (the “Amended Order”) pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) ordering the following:

1. that all trading in any securities by 1621852 Ontario Limited (“162 Ontario”), Hillcorp International Services (“Hillcorp International”), Hillcorp Wealth Management (“Hillcorp Wealth”), Suncorp Holdings or their agents or employees shall cease;
2. that all trading in any securities by Steven John Hill (“Hill”), John C. McArthur (“McArthur”), Daryl Renneberg (“Renneberg”) and Danny De Melo (“De Melo”) shall cease;
3. that the exemptions contained in Ontario securities law do not apply to 162 Limited, Hillcorp International, Hillcorp Wealth, Suncorp Holdings or their agents or employees; and
4. that the exemptions contained in Ontario securities law do not apply to Hill, McArthur, Renneberg and De Melo;

**AND WHEREAS** on July 21, 2009 the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by the Commission and on July 24, 2009 the Commission ordered that the Amended Order shall expire on August 5, 2009;

**AND WHEREAS** on July 21, 2009 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on August 5, 2009 (the “Notice of Hearing”);

**AND WHEREAS** on July 24, 2009 the Commission issued an amended Notice of Hearing to consider, among other things, the extension of the Amended Order, to be held on August 5, 2009 (the “Amended Notice of Hearing”);

**AND WHEREAS** the Commission ordered on August 5, 2009 that the Amended Order was extended until February 8, 2010 on certain terms set out in that Order that the hearing was adjourned to February 5, 2010 at 10:00 am;

**AND WHEREAS** Staff of the Commission (“Staff”) request a further order continuing the Amended Order against 162 Ontario, Hillcorp International, Hillcorp Wealth, Suncorp Holdings, Renneberg, Hill and De Melo;

**AND WHEREAS** Staff do not request a further order continuing the Amended Order against McArthur;

**AND WHEREAS** Renneberg consents to an order continuing the Amended Order, and 162 Ontario, Hillcorp International and Hill do not oppose an order continuing the Amended Order;

**AND WHEREAS** no one appeared at the hearing on behalf of Hillcorp Wealth, Suncorp Holdings and McArthur;

**AND WHEREAS** the Commission reviewed the Affidavit of Amy Tse sworn February 2, 2010 and the written consent of Renneberg;

**AND WHEREAS** the Commission heard submissions from counsel for Staff and from counsel for 162 Ontario, Hillcorp International and Hill;

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

**IT IS HEREBY ORDERED** pursuant to subsections 127(7) and 127(8) of the Act that the Amended Order is extended against 162 Ontario, Hillcorp International, Hillcorp Wealth, Suncorp Holdings, Hill and De Melo to July 12, 2010; and against Renneberg to March 31, 2010 and specifically:

1. that all trading in any securities by and of 162 Ontario, Hillcorp International, Hillcorp Wealth, Suncorp Holdings shall cease;
2. that the exemptions contained in Ontario securities law do not apply to 162 Limited, Hillcorp International, Hillcorp Wealth, Suncorp Holdings or their agents or employees;
3. that all trading in any securities by Renneberg, Hill and De Melo shall cease;
4. that the exemptions contained in Ontario securities law do not apply to Renneberg, Hill and De Melo;
5. with the exception that Renneberg may trade in certain securities for his own account or for the account of his registered retirement savings plan or registered retirement income fund (as defined in the *Income Tax Act* (Canada)) in which he has sole legal or beneficial ownership, provided that:
  - a. the securities consist only of securities that are listed and posted for trading on the Toronto Stock Exchange or the New York Stock Exchange (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;
  - b. Renneberg submits to Staff, at least five business days prior to the first trade made under this Order, a detailed written statement showing his direct or indirect legal or beneficial ownership of or control or direction over all securities referred to in paragraph (a), as of the date of this Order;
  - c. Renneberg does not have direct or indirect legal or beneficial ownership of or control or direction over more than one per cent of the outstanding securities of the class or series of the class in question;
  - d. Renneberg must trade only through a registered dealer and through accounts opened in his name only and must immediately close any trading accounts that were not opened in his name only; and
  - e. Renneberg must submit standing instructions to each registrant with whom he has an account, or through or with whom he trades any securities, directing that copies of all trade confirmations and monthly account statements be forwarded directly to Staff at the same time such documents are sent to Renneberg, and Renneberg must ensure that such instructions are complied with.

**IT IS FURTHER ORDERED** that the Hearing is adjourned to Friday July 9, 2010 at 10:00 am.

Dated at Toronto this 5th day of February, 2010

"Carol S. Perry"

2.2.7 Sun Life Capital Trust II et al.

IN THE MATTER OF  
ONTARIO SECURITIES COMMISSION  
RULE 13-502 FEES

AND

IN THE MATTER OF  
SUN LIFE CAPITAL TRUST II (the "Trust"),  
SUN LIFE ASSURANCE COMPANY OF CANADA  
("SLA") AND SUN LIFE FINANCIAL INC.  
("SLF" and, together with the Trust and SLA,  
the "Filers")

ORDER

**WHEREAS** the Director under the Ontario Securities Act has received an application on behalf of the Filers for an order, pursuant to section 6.1 of Ontario Securities Commission (the "**Commission**") Rule 13-502 Fees (the "**Fees Rule**"), that the requirements to pay a participation fee under section 2.2 of the Fees Rule shall not apply to the Trust, subject to certain terms and conditions.

**AND WHEREAS** the Filers have represented to the Commission that:

1. The Trust is a trust established under the laws of Ontario by Computershare Trust Company of Canada, as trustee (the "**Trustee**") pursuant to a declaration of trust dated as of November 6, 2009, as amended and restated on November 20, 2009, and as it may be further amended, restated and supplemented from time to time (the "**Declaration of Trust**").
2. The Trust's head office is located at 150 King Street West, Toronto, Ontario, M5H 1J9. The Trust has a financial year end of December 31.
3. The Trust completed an initial public offering (the "**Offering**") of 5.863% Sun Life Exchangeable Capital Securities – Series 2009-1 due December 31, 2108 (the "**SLEECs**") in each province and territory of Canada (the "**Reporting Jurisdictions**") on November 20, 2009 and may, from time to time, issue further series of notes substantially similar to the SLEECs (collectively with the SLEECs, the "**Notes**"). As a result of the Offering, the capital of the Trust consists of: (i) the SLEECs; and (ii) voting trust units ("**Voting Trust Units**"). All of the outstanding Voting Trust Units are held by SLA.
4. As a result of having obtained a receipt for the prospectus for the Offering dated November 17, 2009 (the "**Prospectus**"), the Trust is a reporting issuer in the Reporting Jurisdictions. The Trust is not, to its knowledge, in default of its reporting issuer obligations under the securities legislation of any of the Reporting Jurisdictions.
5. The Trust is a single purpose vehicle established for the purpose of effecting offerings of securities, including the SLEECs and Voting Trust Units (collectively, the "**Trust Securities**") in order to provide SLA with a cost effective means of raising capital for Canadian insurance regulatory purposes by means of: (i) creating and selling the Trust Securities; and (ii) acquiring and holding assets, which will consist primarily of a senior unsecured debenture of SLA (the "**SLA Debenture**") and other eligible assets specified in the Prospectus (collectively, the "**Trust Assets**"). The Trust Assets will generate income for the payment of principal, interest, the redemption price, if any, and any other amounts, in respect of the Trust's debt securities, including the SLEECs. The Trust will not carry on any operating activity other than in connection with offerings of Trust Securities and in connection with the Trust Assets.
6. No Trust Securities are currently listed on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
7. Pursuant to an administration agreement dated November 6, 2009, as amended and restated on November 20, 2009 and as it may be further amended and restated from time to time, entered into between the Trustee and SLA, the Trustee has delegated to SLA certain of its obligations in relation to the administration of the Trust. SLA, as administrative agent, will, at the request of the Trustee, administer the day-to-day operations of the Trust and perform such other matters as may be requested by the Trustee from time to time.

8. SLA is an insurance company under the *Insurance Companies Act* (Canada) (the “ICA”) and is regulated by the Superintendent of Financial Institutions (Canada) (the “Superintendent”). The head office of SLA is located at 150 King Street West, Toronto, Ontario, M5H 1J9.
9. SLF holds all of the issued and outstanding shares of SLA.
10. The SLEECs, including accrued and unpaid interest thereon, will be exchanged automatically, without the consent of the holders thereof, for newly issued Class A shares Series V of SLA (“**SLA Exchange Preferred Shares**”) if: (i) an application for a winding-up order in respect of SLA pursuant to the *Winding-Up and Restructuring Act* (Canada) is filed by the Attorney General of Canada or a winding-up order in respect of SLA pursuant to that Act is granted by a court; (ii) the Superintendent advises SLA in writing that the Superintendent has taken control of SLA or its assets pursuant to the ICA; (iii) the Superintendent advises SLA in writing that the Superintendent is of the opinion that SLA has a net Tier 1 capital ratio of less than 75% or an MCCSR ratio (as that term is defined in the Prospectus) of less than 120%; (iv) the board of directors of SLA advises the Superintendent in writing that SLA has a net Tier 1 capital ratio of less than 75% or an MCCSR ratio of less than 120%; or (v) the Superintendent directs SLA pursuant to the ICA to increase its capital or provide additional liquidity and SLA elects to cause the Automatic Exchange (as that term is defined in the Prospectus) as a consequence of the issuance of such direction or SLA does not comply with such direction to the satisfaction of the Superintendent within the time specified therein.
11. The SLA Exchange Preferred Shares will pay quarterly non-cumulative preferential cash dividends, as and when declared by the board of directors of SLA, subject to the provisions of the ICA, at the Perpetual Preferred Share Rate (as that term is defined in the Prospectus), subject to any applicable withholding tax.
12. If the SLEECs have not been exchanged for SLA Exchange Preferred Shares pursuant to the Automatic Exchange, SLA will not, without the prior approval of the Superintendent (if required) and the prior approval of the holders of the SLEECs, amend any terms attaching to the SLA Exchange Preferred Shares, provided that the prior approval of the holders of SLEECs will not be required in the case of amendments relating to the Class A shares of SLA as a class.
13. SLF has guaranteed certain obligations of SLA in order to rationalize the securities reporting obligations of SLF and SLA (the “**SLF Guarantees**”). The SLF Guarantees included: (i) a subordinated guarantee of SLA’s Class A shares, Class B shares, Class C shares, Class D shares and Class E shares, other than preferred shares held by SLF and its affiliates (the “**SLF Preferred Share Guarantee**”); (ii) a full and unconditional subordinated guarantee of SLA’s \$150 million of outstanding 6.30% subordinated debentures due 2028; (iii) a full and unconditional subordinated guarantee of SLA’s \$300 million of outstanding 6.65% subordinated debentures due 2015; and (iv) a full and unconditional subordinated guarantee of SLA’s \$800 million of outstanding 6.15% subordinated debentures due 2022.
14. As a result of the SLF Guarantees, SLA received an exemption dated November 14, 2007 (the “**2007 SLA Order**”) from the requirements to file certain continuous disclosure materials with the Canadian securities regulatory authorities. Under the 2007 SLA Order, SLA is not required to file interim financial statements, annual or interim management’s discussion and analysis (“**MD&A**”), an annual information form, press releases and material change reports in the case of material changes that are also material changes in the affairs of SLF, material contracts, and Chief Executive Officer and Chief Financial Officer Certifications. However, SLA is required to file annual audited financial statements, and certain summary information regarding SLA is filed by SLF on a quarterly basis. SLA has filed a notice on SEDAR indicating that it is relying on the continuous disclosure filings of SLF and setting out where those documents can be found for viewing in electronic format. In addition, SLF is required to send to holders of the debentures and preferred shares of SLA the disclosure materials that SLF is required to send to holders of its similar debt and preferred shares, respectively.
15. Pursuant to a decision document dated as of the date hereof (the “**Continuous Disclosure Exemption**”) granted to the Trust by the Commission, as principal regulator, the Commission determined that the requirements contained in the securities legislation of the Province of Ontario and in other applicable jurisdictions (collectively, the “**Legislation**”) to:
  - (a) file interim financial statements and audited annual financial statements and deliver same to the security holders of the Trust pursuant to sections 4.1, 4.3 and 4.6 of National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”);
  - (b) file interim and annual MD&A and deliver same to the security holders of the Trust pursuant to sections 5.1 and 5.6 of NI 51-102;
  - (c) file an annual information form pursuant to section 6.1 of NI 51-102;
  - (d) comply with any other requirements of NI 51-102 ((a) through (d) are collectively referred to herein as the “**Continuous Disclosure Obligations**”); and

- (e) file interim and annual certificates (collectively the “**Officers’ Certificates**”) pursuant to Parts 4, 5 and 6 of National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“**NI 52-109**”) (the “**Certification Obligations**”);

shall not apply to the Trust, for so long as:

- (a) with respect to the Continuous Disclosure Obligations:

- (i) each of SLF and SLA remains a reporting issuer under the Legislation and has filed all continuous disclosure documents that it is required to file by the Legislation subject to any applicable exemptions;
- (ii) the Trust files a notice on SEDAR indicating that it is relying on the continuous disclosure filings of SLF and SLA referred to in paragraph (a) above and setting out where those documents can be found for viewing in electronic format;
- (iii) at any time SLA is exempt from filing such documents, the Trust sends, or causes SLF or SLA to send, SLF’s interim and annual financial statements and interim and annual MD&A required by NI 51-102 to holders of the Trust’s debt securities, at the same time and in the same manner as if the holders of the Trust’s debt securities were holders of preferred shares of SLF;
- (iv) at any time SLA is not exempt from filing such documents, the Trust sends, or causes SLA to send, SLA’s interim and annual financial statements and interim and annual MD&A required by NI 51-102 to holders of the Trust’s debt securities, at the same time and in the same manner as if the holders of the Trust’s debt securities were holders of preferred shares of SLA;
- (v) all outstanding securities of the Trust are either Notes or Voting Trust Units;
- (vi) the rights and obligations of the holders of additional series of Notes of the Trust are the same in all material respects as the rights and obligations of the holders of the SLEECs, with the exception of economic terms such as the interest payable by the Trust, maturity date and redemption dates and prices;
- (vii) SLA remains the direct owner of all of the issued and outstanding voting securities of the Trust, including the Voting Trust Units;
- (viii) SLF remains the beneficial owner of all of the issued and outstanding voting securities of SLA;
- (ix) the Trust does not carry on any operating activity other than in connection with offerings of its securities and the Trust has minimal assets, operations, revenues or cash flows other than those related to the SLA Debenture or the issuance, administration and repayment of the Trust Securities;
- (x) SLA, as holder of the Voting Trust Units, will not propose changes to the terms and conditions of any outstanding Notes that would result in Notes being exchangeable for securities other than SLA Exchange Preferred Shares;
- (xi) the Trust issues a news release and files a material change report in accordance with Part 7 of NI 51-102, as amended, supplemented or replaced from time to time, in respect of any material change in the affairs of the Trust that is not also a material change in the affairs of SLF or SLA;
- (xii) in any circumstances where the SLEECs (or any additional series of Notes) are voting, the Trust will comply with Part 9 of NI 51-102; and
- (xiii) the Trust complies with Parts 4A, 4B, 11 and 12 of NI 51-102;

and

- (b) with respect to the Certification Obligations:

- (i) the Trust is not required to, and does not, file its own interim filings and annual filings (as those terms are defined in NI 52-109); and

- (ii) the Trust is and continues to be exempted from the Continuous Disclosure Obligations and SLF, SLA and the Trust are in compliance with the conditions set out in paragraph (a) above.
16. The Continuous Disclosure Exemption will expire 30 days after the date that a material adverse change occurs in the representations of SLF, SLA or the Trust.
17. The SLEECs have been structured to achieve Tier 1 regulatory capital for purposes of the guidelines of the Superintendent.
18. The Superintendent maintains strict guidelines and standards with respect to the capital adequacy requirements of federally regulated financial institutions, including SLF and SLA, and, in particular, specifies minimum required amounts of capital to be maintained by such institutions. Tier 1 regulatory capital consists of common shareholders' equity, qualifying non-cumulative perpetual preferred shares, qualifying innovative instruments and qualifying non-controlling interests arising on a consolidation from Tier 1 capital instruments. Innovative instruments, such as the SLEECs, must satisfy the detailed requirements of the Capital Guidelines (as that term is defined in the Prospectus) to be included in Tier 1 capital. If SLF could issue the SLEECs directly, this capital would be included in the calculation of the participation fee payable by SLF in accordance with the Fees Rule.
19. No continuous disclosure documents concerning only the Trust will be filed with the Commission, other than those set out in paragraphs 15(a)(xi), (xii) and (xiii) above.
20. The Trust is a "Class 2 reporting issuer" under the Fees Rule and would be required (but for this order) to pay participation fees under such rule.
21. SLA and indirectly, SLF, control the Trust through SLA's ownership of the Voting Trust Units issued by the Trust. SLF has paid, and will continue to pay, participation fees applicable to it under section 2.2 of the Fees Rule.
22. The Fees Rule includes an exemption for "subsidiary entities" in section 2.6(2) of the Fees Rule. SLF and the Trust will meet all of the substantive requirements to rely on the exemption in section 2.6(2) of the Fees Rule, but for the requirement that applicable accounting standards require the consolidation of the parent and the subsidiary entity. The applicable accounting standards are those pursuant to which the entity's financial statements are prepared under Ontario securities law (being Canadian generally accepted accounting principles, or "**Canadian GAAP**").
23. In accordance with amendments to Canadian GAAP that SLF and SLA adopted effective January 1, 2005, the assets and liabilities of the Trust will not be consolidated in the financial statements of SLF and SLA. As a result, the Trust may not, from a technical accounting perspective, be entitled to rely on the exemption in section 2.6(2) of the Fees Rule.

**THE ORDER** of the Director under the Fees Rule is that the requirements to pay a participation fee under Section 2.2 of the Fees Rule shall not apply to the Trust, for so long as:

- (i) SLF, SLA and the Trust continue to satisfy all of the conditions contained in the Continuous Disclosure Exemption; and
- (ii) the capitalization of the Trust represented by the SLEECs and any additional securities of the Trust that may be issued, from time to time, by the Trust is included in the participation fee calculation applicable to SLF and SLF has paid the participation fee calculated on this basis.

**DATED** this 8th day of February, 2010.

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

**2.2.8 Goodman & Company, Investment Counsel Ltd. – s. 74(1)**

**Headnote**

Subsection 74(1) of the Securities Act (Ontario) – relief from the dealer registration requirement of paragraph 25(1)(a) of the Act granted to portfolio manager applicant, its network of non-Ontario registered dealers and non-registered salespersons trading on behalf of an Ontario charitable foundation in connection with a charitable gift program.

**Applicable Ontario Statutory Provisions**

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

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

**AND**

**IN THE MATTER OF  
GOODMAN & COMPANY,  
INVESTMENT COUNSEL LTD.**

**ORDER  
(Subsection 74(1))**

**UPON** the application (the **Application**) of Goodman & Company, Investment Counsel Ltd. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 74(1) of the Act that the registration requirements contained in paragraph 25(1)(a) of the Act (the **Dealer Registration Requirements**) shall not apply to:

- (a) the Applicant, and its network of dealers (the **Dealers**) when engaged in registrable activities on behalf of a public foundation (the **Foundation**, as described below) as part of the Dynamic Charitable Giving Fund program (the **Program**, as described below); and
- (b) the salespersons, investment representatives, consultants, or financial advisers (collectively, the **Representatives**) of the Dealers and the Ontario Dealers (as described below) in respect of trading on behalf of the Foundation and the Program;

**AND UPON** considering the Application and the recommendation of the Staff of the Commission;

**AND UPON** the Applicant having represented to the Commission as follows:

**The Foundation**

1. The Foundation is an independent non-profit charitable organization with registered charitable

status as a public foundation under the *Income Tax Act* (Canada) (the **Tax Act**). The head office of the Foundation is in Ontario.

2. The purpose of the Foundation is to support charities and other permitted entities as defined under the Tax Act (**Qualified Donees**) through charitable gifts received from donors. The Foundation has entered into agreements with the Applicant in respect of the management and administration of the donor advised charitable gift funds and in connection with the Program.

**The Applicant**

3. The Applicant, the manager of the Dynamic Funds™ (the **Dynamic Funds**), is a corporation incorporated under the *Business Corporations Act* (Ontario) and is registered in the category of as Portfolio Manager in Ontario and in certain other provinces and territories in Canada.
4. The Applicant is not a registered mutual fund dealer or investment dealer in Ontario and does not have an internal team of Representatives to serve as its sales force. Instead the Applicant relies upon the Dealers and Ontario Dealers, a diversified network of Representatives and their sponsoring mutual fund dealer or investment dealer firms to distribute its products.

**The Dealers and the Representatives**

5. Each Dealer undertaking registrable activities on behalf of the Foundation will be registered in one or more provinces or territories in Canada (excluding Ontario) as a mutual fund dealer or investment dealer, as the case may be, and will be a member of either the Mutual Fund Dealers Association (**MFDA**) or the Investment Industry Regulatory Organization of Canada (**IIROC**).
6. Each Ontario Dealer undertaking registrable activities on behalf of the Foundation will be registered in Ontario and in one or more provinces or territories in Canada as a mutual fund dealer or investment dealer, as the case may be, and will be a member of either the MFDA or IIROC.
7. Each of the Representatives undertaking registrable activities on behalf of the Foundation will be registered as either an MFDA Approved Person or an IIROC Registered Representative.
8. Each Dealer, Ontario Dealer and Representative undertaking registrable activities on behalf of the Foundation is registered in the appropriate category in the jurisdiction of residence of the Donor (defined below) in respect of which the registrable activities are undertaken. Representatives of the Ontario Dealer are not registered in Ontario.



## The Program

9. Prospective charitable donors to the Foundation will, prior to making a donation, receive a program guide (a **Program Guide**) which will outline the details of the operation of the Program and any fees or expenses associated with the Program.
10. Donors make an irrevocable charitable gift of cash, securities, insurance or segregated funds to the Foundation (a **Donor**) and receive a tax receipt generally equal to the cash amount or fair market value of the securities donated to the Foundation. Securities donated to the Foundation will be liquidated through an investment dealer affiliated with the Applicant.
11. The Foundation will deposit the proceeds of each Donor's gift into an individual account which it will open with an investment dealer (each, an **Account**). Donors may also make subsequent gifts to the Foundation under the Program from time to time.
12. Each Account will be opened in the name of the Foundation in a manner in which the Donor can be identified. The Donor, or his/her successor or designate, will be responsible for providing the Foundation with recommendations regarding the disbursements from the Account to Qualified Donees.
13. In order to comply with the Tax Act, the Program will require that all gifts to the Foundation held in the Account are disbursed to Qualified Donees in accordance with the disbursement quotas established under the Tax Act, or held as required under the Tax Act. In particular, any property held in the Account which is "enduring property" as defined in subparagraph (c) of section 149.1(1) of the Tax Act (also known as a "ten year gift"), will be held for the required ten year period or expended strictly in accordance with any applicable exemption permitted by the Tax Act.
14. Legislation applicable to the Foundation requires that all donated assets be invested in accordance with the "prudent investor" standard. In accordance with this requirement, the Foundation will pre-select a list of mutual funds and portfolio mandates for managed accounts offered by the Applicant under the Program (the **Eligible Investment Vehicles**). Every Account opened as a result of a donation under the Dynamic Charitable Giving Fund Program will be restricted to investments in one or more Eligible Investment Vehicles. Each of the Eligible Investment Vehicles is expected to be a well-diversified balanced portfolio. The Donor will be provided an opportunity to express to the Foundation his or her preference (if any) regarding which Eligible Investment Vehicles the Account should be invested in from time to time.
15. In the event that an Eligible Investment Vehicle is a mutual fund, the mutual fund will be qualified by way of a prospectus in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and available for distribution in Ontario and the province or territory in which the Donor resides.
16. The Representative that solicits the Donor's gift to the Foundation will initially service the Account set up with the proceeds of that Donor's gift and may also have an ongoing relationship with the Donor. The Representative may make a recommendation to the Donor as to the initial choice of Eligible Investment Vehicle and may subsequently recommend changes to the choice of Eligible Investment Vehicle.
17. Donors are able to deal directly with the Foundation. Where the Foundation deals directly with a Donor with respect to the Donor's gift, the Foundation will initially set up the Account through an affiliate Dealer or Ontario Dealer of the Applicant.
18. The Foundation will have final authority over all investment decisions in each Account, except Accounts that are opened as managed accounts. In particular, after receiving the preferences of a Donor, the Foundation will make all final decisions on investments for the Account, and will send trading instructions to the Representative servicing that Account.
19. In the case where an Account is a managed account, investment decisions will be made by the Representative responsible for the Account, in accordance with the investment objectives of the Account pursuant to the portfolio mandate(s) selected by the Donor as an Eligible Investment Vehicle. The Foundation has the ability to select another Representative to manage the managed account. Each Representative exercising discretionary authority over an Account that is a managed account will be appropriately qualified to provide portfolio management services.
20. The Applicant will deliver trade confirmations and account statements (**Account Statements**) to the Foundation with respect to each Account as required under the securities legislation in the jurisdiction where such Account is located. The Applicant will make a copy of any or all Account Statements available to the applicable Donor upon request. The Foundation will deliver a quarterly donor statement to each Donor.

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

**IT IS HEREBY ORDERED**, pursuant to subsection 74(1) of the Act, that the Dealer Registration Requirements shall not apply to the Representatives, the

Applicant or the Dealers in respect of registrable activities undertaken on behalf of the Foundation in connection with the Program, provided that:

- (a) each Dealer, Ontario Dealer and Representative undertaking registrable activities on behalf of the Foundation is registered in the appropriate category in the jurisdiction of residence of the Donor in respect of which the registrable activities are undertaken;
- (b) each Dealer and Ontario Dealer undertaking registrable activities on behalf of the Foundation is a member of either the MFDA or IIROC;
- (c) each Representative undertaking registrable activities on behalf of the Foundation shall be either an MFDA Approved Person or an IIROC Registered Representative;
- (d) each Representative exercising discretionary authority over a managed account in connection with the Program will be appropriately qualified to provide portfolio management services;
- (e) all fees, expenses and commissions related to the Program will be fully disclosed in the Program Guide, or equivalent document, and the Program Guide, or equivalent document, shall be provided to every Donor by the Applicant or the applicable Representative prior to the Donor making a gift to the Foundation;
- (f) the Donor making a gift to the Foundation receives a duplicate copy of any or all Account Statements delivered to the Foundation by the Applicant upon request; and
- (g) the Foundation delivers a quarterly donor statement to each Donor.

February 9, 2010

"Carol S. Perry"  
Commissioner  
Ontario Securities Commission

"James Turner"  
Commissioner  
Ontario Securities Commission

## 2.2.9 Paul Iannicca

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

AND

### IN THE MATTER OF PAUL IANNICCA

#### ORDER

**WHEREAS** on March 13, 2009, the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of the trading of securities in Gold-Quest International ("Gold-Quest") by Paul Iannicca (the "Respondent");

**AND WHEREAS** on March 12, 2009, Staff of the Commission filed a Statement of Allegations;

**AND WHEREAS** the Respondent entered into a Settlement Agreement dated February 9th, 2010 (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

**AND WHEREAS** the Commission issued a Notice of Hearing dated February 3, 2010, setting out that it proposed to consider the Settlement Agreement;

**UPON** reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from the Respondent through his agent and from 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, PURSUANT TO SECTION 127 OF THE ACT, THAT:

1. the Settlement Agreement dated February 9, 2010, between Staff of the Commission and the Respondent is approved;
2. the Respondent is prohibited for ten years from becoming or acting as a registrant;
3. any exemptions contained in Ontario securities law do not apply to the Respondent for ten years; and
4. the Respondent disgorge to the Commission the amount of \$60,851.84 to be allocated under section 3.4(2)(b) to or for the benefit of third parties.

Dated at Toronto, Ontario this 10th day of February, 2010.

"David L. Knight"

## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 John Doe – s. 31

#### IN THE MATTER OF JOHN DOE

#### OPPORTUNITY TO BE HEARD BY THE DIRECTOR UNDER SECTION 31 OF THE SECURITIES ACT, R.S.O. 1990, c. S.5, AS AMENDED

**Date of hearing:** December 18, 2009

**Date of decision:** February 5, 2010

**Director:** Erez Blumberger  
Manager, Registrant Regulation  
Ontario Securities Commission

**Appearances:** Michael Denyszyn  
Legal Counsel, Registrant Regulation  
For staff of the Ontario Securities Commission  
  
John Doe  
For himself

#### Overview

- [1] This was a hearing, pursuant to section 31 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the **Act**), to consider whether John Doe (the **Applicant**) should be denied registration by reason of his failure to accurately and completely provide the required criminal disclosure in his application for registration as a dealing representative of a mutual fund dealer.
- [2] I have made a decision, pursuant to subsection 10(a) of the *Procedures for Opportunities to be Heard before Director's Decisions on Registration Matters* and subsection 9(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, that the transcript of the hearing and any exhibits introduced at the hearing be sealed and not disclosed to or made available to the public, as the desirability of avoiding the disclosure of the intimate personal matters discussed in these documents would outweigh the public benefit of openness in Commission proceedings. Accordingly, these reasons have been published with the name of the applicant replaced with "John Doe".

#### Background

- [3] The Applicant applied for registration as a dealing representative of a mutual fund dealer on July 31, 2009 by filing a Form 33-109F4 *Registration Information for an Individual* (Form F4). The Applicant had never been registered under the Act and had been working in the financial services industry in a non-registered capacity for a number of years.
- [4] Item 14 of Form F4 deals with criminal disclosure. Specifically, it asks the following question:

#### **Criminal, provincial and territorial offences**

With respect to questions (b) ... below, if you or your firm have pleaded guilty or been found guilty of an offence, that offence must be reported even if an absolute or conditional discharge has been granted with respect to the offence. You are not required to disclose any offence for which a pardon has been granted under the *Criminal Records Act* (Canada) unless the pardon has been revoked. You are not required to disclose speeding or parking violations.

...

(b) Have you, since attaining the age of 18, ever been convicted of, pleaded guilty to or no contest to an offence that was committed in any province, territory, state, or country?

If "Yes", complete Schedule "K", section (b).

The Applicant answered "No" to Item 14(b).

- [5] Upon receipt of the Applicant's Form F4, OSC staff conducted the standard criminal and intelligence checks on the Applicant. The Canadian Police Information Centre (**CPIC**) check on the Applicant revealed the following "disciplinary or conviction history":

Off: Indecent ActX2 – SD: 2009-06-24

– Conditional Discharge

These two convictions resulted from a guilty plea by the Applicant. The Applicant was ultimately granted a conditional discharge, the condition being that he complete two years of probation.

- [6] On August 18, 2009, OSC staff wrote to the Applicant indicating that there appeared to be outstanding warrants or criminal charges against him. The letter requested the Applicant obtain a Certificate of Police Clearance or reconsider his response to Item 14. Additionally, the letter warned that failure to provide details of all convictions upon filing of initial submissions of registration is an offence under section 122 of the Act.

- [7] Section b of Schedule K to Form F4 requests additional information where an individual has responded "yes" to Item 14(b). Specifically, it asks the following question:

For each conviction, indicate below (1) the offence, (2) the date of the conviction, and (3) the disposition (state any penalty or fine and the date any fine was paid).

- [8] On September 18, 2009, the Applicant's response to Item 14(b) of Form F4 was updated from "no" to "yes" and the following details were added in section b of Schedule K to Form F4:

- 1) Criminal Harassment
- 2) July 2, 2008
- 3) Discharged on June 24, 2009 – no criminal record (Discharge Document is to follow)

- [9] OSC staff compared the September 18, 2009 update with the results of the CPIC check and concluded that the September 18, 2009 update was inaccurate. Accordingly, OSC staff returned the submission. On September 22, 2009, the Applicant's response at section b of Schedule K to Form F4 was updated for a second time as follows:

- 1) Indecent Act
- 2) July 2, 2008
- 3) Discharged on June 24, 2009 – no criminal record (Discharge Document is to follow)

- [10] On September 24, 2009, the Applicant updated his September 22, 2009 response for a third time to add the following details:

On June 25, 2008, my female neighbour ... alleged that I exposed myself in an indecent act in the underground parking. My version of the events stated that my training pants dropped to my knees by accident since I had placed too many items in my pockets. I did not think that the incident was significant since it was not done intentionally. On July 1, 2008, I approached the same neighbour to greet her in the underground parking lot wearing my bath robe since I was going to my car. Again the same neighbour alleged that I exposed myself. On July 2, 2008[,] I was charged by the police with two acts of incident [sic] exposure. I was given bail but ordered to not live at ... and reside with a relative elsewhere. On June 24, 2009, the trial concluded that I was given a conditional discharge which ordered that I stay away from the neighbour and serve probation for a period of 24 months. If I comply with the requirements of the conditional order then the criminal charge will be removed from my record.

- [11] On November 12, 2009, OSC staff was advised by the Joint Securities and Intelligence Unit (**JSIU**) that information to which it had access showed that the information on the Applicant's Form F4 was inaccurate and incomplete. Specifically, JSIU staff advised that there were, in fact, two victims referenced in the terms of the Applicant's probation.
- [12] On November 19, 2009, OSC staff wrote to inform the Applicant that OSC staff has recommended to the Director that the Applicant's application for registration be refused. OSC staff noted to the Applicant that there was information that indicated his explanation was not a "true and complete account" of the events underlying his convictions. Specifically, the letter provided that:
- With respect to the Application, staff is of the view that your failure to provide all required information in Item 14(b), even after being provided further opportunities to update or modify your application, shows that you lack the integrity required of a securities professional, and are therefore unsuitable for registration. Staff is therefore recommending to the Director that your application be refused.
- [13] The Applicant exercised his right to an opportunity to be heard by the Director, pursuant to section 31 of the Act.
- [14] In connection with preparing for the opportunity to be heard hearing, OSC staff requested the Applicant provide the police report relating to the events in question. The Applicant provided a copy of the police report along with a copy of a related psychiatric assessment prepared by staff at the Centre for Addition and Mental Health.
- [15] The opportunity to be heard hearing was conducted in person on December 18, 2009.
- [16] Subsequent to the opportunity to be heard hearing, the Applicant provided to OSC staff a letter from his probation officer confirming that the Applicant pleaded guilty to two counts of Indecent Acts, received a conditional discharge and was sentenced to two years of probation. The Applicant also provided additional documentation to OSC staff, including honours he has received at work and teaching evaluations from courses he has taught.

## **Submissions**

### *Summary of OSC staff's submissions*

- [17] OSC staff argued that the Applicant failed to meet the requisite integrity for registration. OSC staff's view was that the Applicant is not suitable for registration and that his proposed registration would be objectionable on public interest grounds.
- [18] On the issue of whether the convictions themselves indicate a lack of the integrity requisite of a securities professional, OSC staff cited *Re Boisvert* (2005), 28 OSCB 2181, for the proposition that it is not the role of the Commission to ensure the physical safety of investors in the context of an applicant who had previously been convicted of family disturbance and sexual interference. However, OSC staff argued that there was an important distinction between *Re Boisvert* and the present case: the applicant in *Re Boisvert* was forthcoming about his convictions.
- [19] OSC staff submitted that the Applicant had not been similarly forthcoming about his criminal history. Specifically, OSC staff noted the following:
1. The Applicant initially indicated in Item 14(b) of his Form F4 that he had not been convicted of or pleaded guilty to an offence when in fact he had.
  2. The Applicant's subsequent disclosure in his Form F4 omitted certain incidents to which he had admitted to doing intentionally and for which he pleaded guilty.
  3. The Applicant's subsequent disclosure in his Form F4 omitted the fact that there was a separate incident involving a second victim.
- [20] OSC staff submitted that throughout the application process, the Applicant's disclosures with respect to item 14 of Form F4 had been inaccurate and inadequate. OSC staff acknowledged that although it would have been understandably stressful and inconvenient for any applicant to divulge even sparse details about convictions such as the Applicant's on one's Form F4, securities professionals routinely face stressful or inconvenient situations and are relied upon to nevertheless be forthright in their dealings and to conduct themselves at all times with integrity.

*Summary of the Applicant's submissions*

- [21] The Applicant blamed his failure to provide accurate information on misunderstanding and miscommunication. He stated that he failed to understand what he had to disclose and, in this regard, he suggested he was a bit ignorant.
- [22] In particular, the Applicant submitted that he understood a conditional discharge as meaning that there would not be any criminal record and that it was the issue of his criminal record which he focussed upon in completing his Form F4. In particular, the Applicant noted that in filling out his Form F4, he focussed on the part of Item 14(b) which provides that: "You are not required to disclose any offence for which a pardon has been granted under the *Criminal Records Act* (Canada) unless the pardon has been revoked". He noted that he initially thought that when the judge told him that he was free to go, this meant that he was pardoned. He indicated that he only understood the distinction between a pardon and a conditional discharge when he discussed this with his lawyer after being informed that OSC staff recommended his application for registration be denied.
- [23] The Applicant took the position that he was advised by his probation officer to answer "no" to Item 14(b). However, upon further questioning at the opportunity to be heard hearing, the Applicant clarified that he did not put the actual question before his probation officer and merely said to his probation officer: "They're asking about something to do with my criminal record. Should I answer 'yes' or should I answer 'no'?"

**The Law**

- [24] Subsections 27(1) and (2) of the Act provide that:

**Registration, etc.**

27. (1) On receipt of an application by a person or company and all information, material and fees required by the Director and the regulations, the Director shall register the person or company, reinstate the registration of the person or company or amend the registration of the person or company, unless it appears to the Director,

- (a) that, in the case of a person or company applying for registration, reinstatement of registration or an amendment to a registration, the person or company is not suitable for registration under this Act; or
- (b) that the proposed registration, reinstatement of registration or amendment to registration is otherwise objectionable.

**Matters to be considered**

(2) In considering for the purposes of subsection (1) whether a person or company is not suitable for registration, the Director shall consider,

- (a) whether the person or company has satisfied,
  - (i) the requirements prescribed in the regulations relating to proficiency, solvency and integrity, and
  - (ii) such other requirements for registration, reinstatement of registration or an amendment to a registration, as the case may be, as may be prescribed by the regulations; and
- (b) such other factors as the Director considers relevant.

**The Issue**

- [25] The issue in this case is whether the Applicant is not suitable for registration, or whether his proposed registration is otherwise objectionable, by reason of his failure to accurately and completely provide the required criminal disclosure in his application for registration.

## Analysis

### *General Principle*

- [26] As the Commission has repeatedly stated in numerous decisions, registration is a privilege and not a right. For example, the Commission states this in *Re Trend Capital Services Inc.* (1992), 15 OSCB 1711, as follows:

The regime of securities regulation established by the Act and the Regulations, and discussed in decision of the Commission and the Courts makes it clear that obtaining registration entitling persons to deal with the public is a privilege and not a right and that this must constantly be borne in mind.

### *Determining whether an applicant is not suitable for registration*

- [27] The fit and proper standard for registration is both an initial and an ongoing requirement for registrants. The fit and proper standard is based on three well established criteria that have been identified by the Commission:

The [Registrant Regulation] section administers a registration system which is intended to ensure that all Applicants under the *Securities Act* and the *Commodity Futures Act* meet appropriate standards of integrity, competence and financial soundness ... (Ontario Securities Commission, Annual Report 1991, Page 16)

These three criteria are codified in subsection 27(2) of the Act as matters that may be considered by the Director in considering whether a person or company is suitable for registration.

- [28] The Commission has, over time, considered the following in analyzing these three criteria:

- **integrity** – honesty and good faith, particularly in dealings with clients, and compliance with Ontario securities law;
- **competence** – prescribed proficiency and knowledge of the requirements of Ontario securities law; and
- **financial soundness** – an indicator of a firm's capacity to fulfill its obligations and can be an indicator of the risk that an individual will engage in self-interested activities at the expense of clients.

- [29] In the matter before me, no issue has been raised regarding the Applicant's competence and financial soundness. However, OSC staff argued that the Applicant failed to meet the requisite integrity for registration as a dealing representative.

### *Determining whether an applicant's proposed registration is otherwise objectionable*

- [30] The determination of whether an applicant's proposed registration may be otherwise objectionable goes beyond the three suitability criteria noted above.

- [31] As stated in section 1.1 of the Act:

The purposes of this Act are,

- (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.

- [32] Therefore, in considering whether an applicant's proposed registration may be otherwise objectionable, public interest considerations are of particular importance, as one of the main objectives of the Act is to protect the public. This is noted in *Re Michalik* (2007), 30 OSCB 6717, as follows:

In pursuing the purposes of the Act, including protecting the investing public, the Commission is required to have regard to certain fundamental principles, such as the requirements to maintain high standards of fitness and business conduct to ensure honest and reputable conduct by registrants. Registrants have a very important function in the capital markets and they are also in a position where they may potentially harm the public. Regulating conduct of registrants is a matter of public interest.

- [33] In considering the public interest, past conduct may be of particular relevance as an indicator of future conduct. This is stated in *Re Mithras Management Ltd.* (1990), 13 OSCB 1600, as follows:

... the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to 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.

- [34] An application for registration may be objectionable on broader public interest grounds, regardless of the suitability determination. That said, in most cases, the determination as to whether an applicant's proposed registration may be otherwise objectionable is likely to coincide with the determination of whether an applicant is not suitable for registration.

*Relevant decisions*

- [35] Applications for registration have been denied where individuals fail to be forthright and fully disclose their criminal records on their application for registration.

- [36] For example, in *Re Jay Peter Thompson* (1986), 9 OSCB 6219, the applicant's application for registration was denied on the basis he failed to disclose his criminal record and continued to refuse to acknowledge his criminal record. Under the applicant's name, OSC staff uncovered a criminal record consisting of both drinking and driving convictions and convictions for possession of narcotics. At first, the applicant swore that the criminal record was of a different person. Upon subsequent questioning, the applicant admitted to the driving convictions shown in the criminal record but refused to admit the narcotic convictions. The Deputy Director, Registration stated:

Had Thompson been forthright in Thompson's application or at the other levels of questioning outlined above, it is possible that registration may well have issued. However, the issue here is not the nature or quality of the Criminal Code convictions, but disclosure, especially given the number of opportunities Thompson was given to set the record straight.

- [37] Similarly, in *Re Doe* (2007), ABASC 296, the Executive Director at the Alberta Securities Commission (the **ASC**) denied the registration of an applicant who had failed to disclose a criminal charge against her that was later disposed by way of a guilty plea and conditional discharge. On two occasions, ASC staff brought to the attention of her sponsoring firm that she was to reconsider the criminal disclosure. The response from the firm was that the applicant "is not aware of any criminal items/activity that has not been disclosed". The Executive Director found that there was insufficient evidence to conclude that the applicant had been dishonest on the basis of the underlying circumstances of the criminal charge and another incident where the applicant was sanctioned by another regulator. However, the Executive Director found that the applicant's credibility surrounding the failure to disclose her criminal charge problematic. In considering the applicant's integrity, the Executive Director stated:

Integrity is broader than dishonesty. It encompasses a certain duty of care in one's work product. One may not be dishonest and yet be reckless or lackadaisical over whether one complies with the rules or requirements of one's industry. ... As for her application for registration, the explanation as to why the Applicant failed to comply with the clear wording requiring disclosure of the offence was that she failed to notice the requirement to disclose "even if an absolute or conditional discharge has been granted" (emphasis added) [*emphasis in original*] because she focused only on the question of whether she had been convicted of a criminal offence. Notwithstanding having had three separate opportunities to complete the form correctly, two of which involved specific direction to the problematic portion of the form, the Applicant either did not reread the form, or did so in such a careless manner so that she failed to appreciate the requirement to disclose, which requirement is in the same sentence as the requirement to disclose an offence. The Applicant's actions reveal a lack of attention to detail in complying with formal requirements. This, in my mind, reflects either a lack of integrity, based on a reckless or wilful disregard of matters critical to her responsibilities, or a lack of competence, either of which is fatal to her registration application.

*Application to the facts in this case*

- [38] In the matter before me, the main issue is the Applicant's integrity – in particular, the Applicant's behaviour in failing to disclose his convictions of two counts of Indecent Act in his Form F4 and his subsequent failure to completely and



accurately disclose the required information. I need not analyze the nature or quality of the criminal convictions, except to say that had the Applicant been forthcoming in disclosing his convictions, it is quite possible that registration may well have been granted.

[39] Based on the information before me, I have a difficult time concluding that the Applicant made an honest mistake in his failure to provide complete and accurate information on his Form F4. The Form F4 question relating to criminal disclosure is plain on its face: "Have you, since attaining the age of 18, ever been convicted of, pleaded guilty to ... an offence that was committed in any province, territory, state, or country?" The preamble to the question makes it clear that if an individual has pleaded guilty to an offence, that offence must be reported even if an absolute or conditional discharge has been granted with respect to the offence.

[40] I also have difficulty with the Applicant's submission that he thought he was pardoned. He knew that his conditional discharge was conditional on completion of two years of probation. When he updated his disclosure on September 24, 2009, he acknowledged in writing that he understood that he would have to fulfill the term of his probation and only then will the criminal charge be removed from his record:

... On June 24, 2009, the trial concluded that I was given a conditional discharge which ordered that I stay away from the neighbour and serve probation for a period of 24 months. If I comply with the requirements of the conditional order then the criminal charge will be removed from my record.  
[Emphasis added.]

[41] In my view, one false statement is enough to discredit the Applicant's credibility and raise an issue as to his integrity. In other words, one false statement is sufficient to result in the Applicant's application for registration being denied on the basis that the Applicant lacks the requisite integrity required of a securities industry professional and is, therefore, not suitable for registration.

[42] The matter before me, however, involves not only one false statement, but a chain of inaccurate and misleading disclosures provided by the Applicant.

[43] In the Applicant's first update to Form F4 on September 18, 2009, the Applicant noted that he had pleaded guilty to the offence of Criminal Harassment when, in fact, he had pleaded guilty to two counts of Indecent Act. I cannot see how the Applicant could have mistakenly confused the offence for which he had pleaded guilty.

[44] In the Applicant's second update to Form F4 on September 22, 2009, the Applicant corrected the offence from Criminal Harassment to Indecent Act. However, the Applicant still did not disclose that, in fact, he had pleaded guilty to two counts of Indecent Act and not one.

[45] In the Applicant's third update to Form F4 on September 24, 2009, the Applicant provided a description of the events leading to his convictions. Without going into the further details of the underlying events surrounding the Applicant's convictions, the Applicant's disclosure in his Form F4 differed radically from the information eventually obtained by OSC staff.

[46] In my view, the Applicant recognized the seriousness of the underlying events for which he pleaded guilty and intentionally misrepresented the circumstances surrounding them in an attempt to minimize their significance to OSC staff reviewing his registration application.

[47] Moreover, even if the Applicant somehow was honestly mistaken in the chain of inaccurate disclosure he provided to OSC staff (which I doubt) I agree with the statement in *Re Doe* that integrity is broader than dishonesty and encompasses a certain duty of care in one's work product. The Applicant had a duty to carefully complete documents relating to his registration, including his initial application for registration. In my view, he did not meet this duty.

## Decision

[48] The Applicant did not accurately and completely disclose his criminal history as required in his application for registration. Considering all of the circumstances, I find that the Applicant has not demonstrated the high standards of integrity required of a professional in the securities industry. Accordingly, I find that the Applicant is not suitable to be registered and, therefore, refuse to grant registration in this matter.

February 5, 2010

"Erez Blumberger"  
Manager, Registrant Regulation  
Ontario Securities Commission

3.1.2 Paul Iannicca

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

AND

IN THE MATTER OF  
PAUL IANNICCA

SETTLEMENT AGREEMENT BETWEEN  
PAUL IANNICCA AND  
STAFF OF THE ONTARIO SECURITIES COMMISSION

PART I – INTRODUCTION

1. By Notice of Hearing dated February 3, 2010, the Ontario Securities Commission (the “Commission”) announced that it proposed to hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5 (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Paul Iannicca (the “Respondent”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) recommend settlement with the Respondent of the proceeding commenced by Notice of Hearing dated March 13, 2009 (the “Proceeding”) according to the terms and conditions set out in Part VI of this Settlement Agreement. The Respondent agrees to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

PART III – AGREED FACTS

3. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority in Canada, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.
4. The Respondent is an accountant who practices in Mississauga, Ontario.
5. Gold-Quest International (“Gold-Quest”) was a Panamanian corporation that was controlled by a number of individuals resident in the United States.
6. From June 2006 to May 2008, unbeknownst to the Respondent, Gold-Quest accepted approximately \$29 million (U.S.) from investors, including investors in Ontario, through direct solicitations, an Internet website maintained by Gold-Quest and by referrals from existing investors.
7. On May 6, 2008, the Securities and Exchange Commission of the United States (the “SEC”) filed a complaint in the United States District Court, District of Nevada, alleging that Gold-Quest was operating a pyramid or “Ponzi” scheme. Gold-Quest has never been registered in any capacity with the SEC. The SEC further alleged that Gold-Quest used very little of the money that it raised for legitimate investments but rather the vast majority of new investor funds was used by Gold-Quest to make payments to current investors and commissions to participants in the Ponzi scheme. The SEC complaint (and the related allegations advanced by the SEC) was not in place at the time the Respondent dealt with Gold-Quest as outlined herein.
8. Individuals that introduced an investor to Gold-Quest would receive the title “Administrative Manager” for the new investor. Administrative Managers would receive an up-front commission of 10% of that investor’s original investment and then a further 4% per month for a year (for a total commission of 58% of the principal invested). The individual who introduced the Administrative Manager to Gold-Quest would receive the title “Managing Director” for the new investor and would receive a commission of 1.5% per month for a year for a total of 18% of the principal invested). Lastly, the individual who introduced the Managing Director to Gold-Quest would receive the title “Supervisory Managing Director” for the new investor and would receive a commission of 1% per month for one year (for a total of 12% of the principal invested). In sum, when a new investor sent funds to Gold-Quest, 88% of that investor’s funds were earmarked for commissions to be paid to their Administrative Manager, Managing Director and the Supervisory Managing Director over the course of a year.

9. From June 2006 until May, 2008, Gold-Quest disbursed \$20.3 million (U.S.) through distributions to investors and payment of commissions as set out in paragraph 6 and 7. Unbeknownst to the Respondent, Gold-Quest received no significant income from its investments or business operations during this period.
10. Gold-Quest has ceased to operate and has been put into receivership by order of the United States District Court. As of December 12, 2008, the receiver appointed by the United States District Court had only recovered \$273,475.85 (U.S.).

**ii) Trading in Gold-Quest Securities in Ontario**

11. Gold-Quest has never been registered in any capacity with the Ontario Securities Commission (the "Commission").
12. No preliminary prospectus or prospectus has ever been filed with the Commission to attempt to qualify the trading of Gold-Quest securities.
13. The Respondent was registered with the Commission as a limited market dealer with London House Capital Management from May 29, 2007 to December of 2008.
14. During the five month period between April and August of 2007 (the "Material Time"), approximately 38 Ontario residents (the "Gold-Quest Investors"), many of whom were accredited investors, invested approximately \$300,000 (U.S.) with Gold-Quest in connection with, in part, the activities of the Respondent. These activities included recommending investing with Gold-Quest, providing information regarding the nature of the investment with Gold-Quest and acting as a intermediary between Gold-Quest and the Gold-Quest Investors. These actions by the Respondent constituted acts in furtherance of a trade.
15. The Respondent invested his own funds in Gold-Quest as well as funds provided to him by friends and members of his family, and the Respondent also personally sustained losses in connection with his investment in Gold-Quest.
16. The Gold-Quest Investors entered into one-year investment contracts with Gold-Quest. Gold-Quest stated investor funds would be invested in the foreign exchange or "forex" market. Gold-Quest informed the Gold-Quest Investors that they would receive an annual return on investment equal to 87.5% of the funds invested with Gold-Quest. However, in order to receive this 87.5% investment return, the Gold-Quest Investors would be required to leave their funds with Gold-Quest for a year.
17. When the Gold-Quest Investors entered into the investment contracts with Gold-Quest, the Respondent became their "Administrative Manager".
18. The Respondent understood the nature of the investment contract entered into by the Gold-Quest Investors to be as outlined in paragraph 16 above and was aware of the commission structure outlined above in paragraph 8. While many of the Gold-Quest Investors were informed that the Respondent was to receive compensation for introducing them to Gold-Quest, most of the Gold-Quest Investors were not aware of the full particulars of the commission structure outlined above in paragraph 8.
19. As Administrative Manager, the Respondent received \$100,794.90 in commissions from Gold-Quest as a direct result of the investments of the Gold-Quest Investors.

**PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST**

20. By recommending investments in Gold-Quest to some persons who were not accredited investors and receiving commissions from Gold-Quest as a direct result, the Respondent's conduct constituted trading in securities of Gold-Quest without the proper registration as required by subsection 25(1) of the Act.
21. Also, the Respondent's conduct constituted trading in securities of Gold-Quest contrary to section 53 of the Act, as no preliminary prospectus or prospectus was filed with the Commission to qualify the trading of Gold-Quest securities.
22. The Respondent's conduct was contrary to the public interest.

**PART V – RESPONDENT'S POSITION**

23. The Respondent requests that the settlement hearing panel consider the following mitigating circumstances.
24. Throughout, the Respondent cooperated with Staff's investigation.

25. During the Material Time, the Respondent was not aware of any fraudulent activity by the principals of Gold-Quest and there is no evidence that the Respondent in any way personally deceived or defrauded the Gold-Quest Investors. Consistent with this, the Respondent had no role in any underlying fraudulent activities of Gold-Quest.
26. During the Material Time, the Respondent was of the belief that Gold-Quest was a legitimate investment and that investor funds were being used to generate profits in the foreign exchange market as represented by Gold-Quest.
27. The Respondent generally advised the Gold-Quest Investors that, given the prospect for significant gains, there could also be considerable risk in the Gold-Quest Investment, including the prospect that the investors would lose their investment in its entirety.
28. Many of the Gold-Quest Investors did due diligence of their own in connection with the Gold-Quest investment and the Respondent encouraged the Gold-Quest Investors to do so before making a decision to invest with Gold-Quest.
29. Upon learning of the legal difficulties of Gold-Quest and that it was put into a receivership, the Respondent informed the Gold-Quest Investors of this and immediately ceased all activity relating to Gold-Quest.
30. The Respondent has compensated three of his family members and one friend for losses they incurred in Gold-Quest in the amount of \$39,943.06 and paid tax to the Canada Revenue Agency on the full amounts received.

#### **PART VII – TERMS OF SETTLEMENT**

31. The Respondent agrees to the following terms of settlement listed below.
32. The Commission will make an order pursuant to section 127(1) of the Act that:
  - (a) the Respondent is prohibited for ten years from becoming or acting as a registrant.
  - (b) any exemptions contained in Ontario securities law do not apply to the Respondent for ten years.
  - (c) the Respondent disgorge to the Commission the amount of \$60,851.84 to be allocated under section 3.4(2)(b) to or for the benefit of third parties.

#### **PART VIII – STAFF COMMITMENT**

33. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 34 below.
34. If the Commission approves this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

#### **PART IX – PROCEDURE FOR APPROVAL OF SETTLEMENT**

35. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission which commenced on February 3, 2010 and continued on February 10, 2010, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.
36. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
37. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
38. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
39. Whether or not the Commission approves this Settlement Agreement, the Respondent 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.

**PART X – DISCLOSURE OF SETTLEMENT AGREEMENT**

40. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:
- (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and
  - (b) Staff and the Respondent 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.
41. 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.

**PART X – EXECUTION OF SETTLEMENT AGREEMENT**

42. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.
43. A fax copy of any signature will be treated as an original signature.

Dated this 9th day of February, 2010.

**STAFF OF THE ONTARIO SECURITIES COMMISSION**

"Tom Atkinson"  
\_\_\_\_\_  
Director, Enforcement Branch  
Ontario Securities Commission

**PAUL IANNICCA**

"Paul Iannicca"  
\_\_\_\_\_  
Paul Iannicca

"Michael Magonet"  
\_\_\_\_\_  
Witness

Schedule A

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

AND

IN THE MATTER OF  
PAUL IANNICCA

ORDER

**WHEREAS** on March 13, 2009, the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act* (the "Act") in respect of the trading of securities in Gold-Quest International ("Gold-Quest") by Paul Iannicca (the "Respondent");

**AND WHEREAS** on March 12, 2009, Staff of the Commission filed a Statement of Allegations;

**AND WHEREAS** the Respondent entered into a Settlement Agreement dated February 2nd, 2010 (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

**AND WHEREAS** the Commission issued a Notice of Hearing dated February 3, 2010, setting out that it proposed to consider the Settlement Agreement;

**UPON** reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from the Respondent through his agent and from 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, PURSUANT TO SECTION 127 OF THE ACT, THAT :**

1. the Settlement Agreement dated February 9, 2010, between Staff of the Commission and the Respondent is approved;
2. the Respondent is prohibited for ten years from becoming or acting as a registrant;
3. any exemptions contained in Ontario securities law do not apply to the Respondent for ten years; and
4. that the Respondent disgorge to the Commission the amount of \$60,851.84 to be allocated under section 3.4(2)(b) to or for the benefit of third parties.

Dated at Toronto, Ontario this \_\_\_\_ day of February, 2010.

## 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
Electric-Spin Ltd.	08 Feb 10	19 Feb 10		
RoaDor Industries Ltd.	10 Feb 10	22 Feb 10		

### 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

THERE ARE NO ITEMS FOR THIS WEEK.

### 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
Coalcorp Mining Inc.	07 Oct 09	19 Oct 09	19 Oct 09		
Toxin Alert Inc.	06 Nov 09	18 Nov 09	18 Nov 09		
Sepritech Systems Incorporated	30 Dec 09	11 Jan 10	11 Jan 10		

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## Chapter 8

# Notice of Exempt Financings

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### REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
01/01/2009 to 12/31/2009	1	Active International Equity Fund B - Units	1,203,230.92	59,003.90
01/01/2009 to 12/31/2009	1	ACWI Ex-U.S. Superfund A - Units	1,412,381.56	85,780.21
01/01/2009 to 12/31/2009	1	AGF Emerging Markets Pooled Fund - Units	5,600,000.00	N/A
12/15/2009	3	Allegro Investment Corporation S.A. Luxemburg - Notes	1,059,900.00	100.00
01/02/2009 to 12/30/2009	7	Alliance International Large Cap Fund - Units	66,165,734.10	3,596,900.46
02/20/2009 to 12/31/2009	11	AllianceBernstein Global Style (CAD Half-Hedged) fund - Units	4,999,150.37	347,155.78
01/01/2009 to 12/31/2009	6	Alpha Tilts Fund B - Units	176,379,625.77	5,615,271.14
07/23/2009	79	Anterra Energy Inc. - Common Shares	362,301.40	3,623,014.00
03/31/2009 to 05/29/2009	9	Aquilon Power Silver Fund L.P. - Units	4,412,670.19	2,173.23
11/30/2009 to 12/22/2009	2	Argex Silver Capital Inc. - Common Shares	40,000.00	N/A
01/21/2010	2	Berry Petroleum Company - Common Shares	6,295,550.00	205,000.00
01/01/2009 to 12/31/2009	18	BlackRock Active Canadian Equity Fund - Units	232,880,964.17	9,851,505.36
01/01/2009 to 12/31/2009	4	BlackRock Balanced Conservative Index DC Fund - Units	114,910,465.88	7,811,340.78
01/01/2009 to 12/31/2009	4	BlackRock Canada ex-BBB Universe Bond Index Fund - Units	46,859,211.75	3,087,753.22
01/01/2009 to 12/31/2009	47	BlackRock Canada Long Bond Index Fund - Units	1,154,540,145.26	63,516,478.60
01/01/2009 to 12/31/2009	11	BlackRock Canada Real Return Bond Index Fund - Units	58,463,875.28	4,965,219.71
01/01/2009 to 12/31/2009	4	BlackRock CDN LifePath 2015 Index Fund - Units	81,846,125.70	9,334,777.14
01/01/2009 to 12/31/2009	5	BlackRock CDN LifePath 2020 Index Fund - Units	124,095,421.10	15,053,053.71
01/01/2009 to 12/31/2009	4	BlackRock CDN LifePath 2025 Index Fund - Units	94,045,354.15	11,542,554.27
01/01/2009 to 12/31/2009	5	BlackRock CDN LifePath 2030 Index Fund - Units	87,456,913.99	11,297,233.79

## **Chapter 7**

# **Insider Reporting**

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This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see [www.carswell.com](http://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](http://www.sedi.ca)).

**Notice of Exempt Financings**

01/01/2009 to 12/31/2009	4	BlackRock CDN LifePath 2035 Index Fund - Units	51,086,909.04	6,744,288.35
01/01/2009 to 12/31/2009	5	BlackRock CDN LifePath 2040 Index Fund - Units	51,104,953.14	6,893,923.21
01/01/2009 to 12/31/2009	4	BlackRock CDN LifePath 2045 Index Fund - Units	23,082,199.68	3,013,263.57
01/01/2009 to 12/31/2009	4	BlackRock CDN LifePath Retirement Index Fund I - Units	17,934,436.88	1,912,433.67
01/01/2009 to 12/31/2009	10	BlackRock CDN MSCI EAFE Index Hedged Fund - Units	174,401,089.02	18,637,956.80
01/01/2009 to 12/31/2009	15	BlackRock CDN Short Term Index Fund - Units	148,608,514.52	11,343,529.73
01/01/2009 to 12/31/2009	5	BlackRock CDN US Alpha Tilts Hedged Non- Taxable Fund - Units	17,688,206.19	2,681,638.24
01/01/2009 to 12/31/2009	18	BlackRock CDN US Alpha Tilts Non-Taxable Fund - Units	226,723,749.06	35,509,674.44
01/01/2009 to 12/31/2009	19	BlackRock CDN US Equity Index Hedged Non- Taxable Fund - Units	403,768,596.81	49,750,093.14
12/22/2009	5	Bolero Resources Corp. - Units	1,250,000.00	N/A
01/26/2010	7	Brett Resources Inc. - Common Shares	93,280.00	55,000.00
01/25/2010	3	B&G Foods, Inc. - Notes	2,104,545.20	2,000,000.00
01/25/2010	1	CardioSolutions, Inc. - Notes	26,642.50	1.00
01/29/2010	10	Carlisle Goldfields Limited - Common Shares	207,500.00	4,150,000.00
01/28/2010	1	China Electric Motor, Inc. - Common Shares	359,201.25	75,000.00
11/18/2009	1	Clearwire Communications LLC and Clearwire Finance, Inc. - Notes	21,000,000.00	1.00
11/24/2009	1	Clearwire Escrow Corporation - Notes	37,128,000.00	1.00
01/26/2010	1	Coleman Cable, Inc. - Notes	1,045,719.78	1,000.00
01/01/2009 to 12/31/2009	1	Commonfund Capital Venture Partners IX, L.P. - Limited Partnership Interest	1,779,220.00	N/A
01/29/2010	1	Crown Realty II Limited Partnership - Limited Partnership Units	20,000,000.00	20,000,000.00
01/25/2010	33	Dalmac Energy Inc. - Units	500,000.00	5,000,000.00
01/01/2009 to 12/01/2009	1	DB Equilibria Japan Fund - Units	3,717,000.00	N/A
01/28/2010	6	Detector Exploration Ltd. - Debentures	300,000.00	2.00
08/12/2009	7	Dynex Capital Limited Partnership - Units	6,130,335.00	10,557.00
01/01/2009 to 12/31/2009	8	EAFE Equity Index Fund B - Units	42,024,664.45	924,005.66
01/01/2009 to 12/31/2009	1	EAFE GDP Weighted Equity Index Fund B - Units	24,150,954.05	1,051,260.68

**Notice of Exempt Financings**

01/13/2010 to 01/19/2010	7	Eagle Landing Retail Limited Partnership - Limited Partnership Units	150,000.00	150,000.00
12/29/2009	8	Eastmain Resources Inc. - Flow-Through Shares	415,835.00	237,620.00
12/14/2009	64	Eduvest Holdings Inc. - Common Shares	1,000.00	1,000,000.00
01/01/2009 to 12/31/2009	1	Equity Index Fund A - Units	1,978,217.95	6,326.00
01/01/2009 to 12/31/2009	3	Equity Index Fund B - Units	22,929,419.96	134,189.42
01/01/2009 to 12/31/2009	2	Extended Equity Markets Fund B - Units	94,671,359.64	817,584.02
01/11/2010 to 01/20/2010	207	Fisgard Capital Corporation - Common Shares	793,171.21	N/A
01/01/2009 to 12/31/2009	8	Front Street Canadian Hedge Fund - Units	2,288,294.22	N/A
01/01/2009 to 12/31/2009	23	Front Street Mining Opportunities Fund - Units	2,131,080.32	N/A
12/22/2009 to 12/23/2009	25	Genenews Limited - Common Shares	2,310,499.80	5,134,444.00
12/17/2009	37	Ginguro Exploration Inc. - Units	1,149,999.96	-1.00
01/01/2009 to 12/31/2009	1	Global ex-US AIE Fund - Units	25,460,382.98	1,877,329.29
09/21/2009 to 11/27/2009	1	GMO Developed World Equity Investment Fund PLC - Units	284,834.89	11,183.77
10/01/2009 to 11/05/2009	1	GMO International Core Equity Fund- III - Units	8,208,087.71	283,497.77
09/01/2009 to 11/27/2009	1	GMO International Intrinsic Value Fund- III - Units	1,744,998.78	79,724.86
11/30/2009	1	GMO International Opportunities - Units	29,682,341.36	2,066,049.15
11/02/2009 to 11/30/2009	1	GMO International Opportunities Equity Allocation Fund- III - Units	273,103.85	19,022.84
01/29/2010	4	Gulf & Pacific Equities Corp. - Debentures	120,000.00	N/A
12/23/2009	17	Harte Gold Corp. - Common Shares	651,334.00	4,000,000.00
01/29/2010	1	Hexion Finance Escrow LLC/Hexion Escrow Corporation - Notes	1,062,467.20	1.00
01/13/2010 to 01/18/2010	8	IGW Real Estate Investment Trust - Trust Units	237,000.00	237,622.49
01/14/2010 to 01/19/2010	4	IGW Residential Capital Limited Partnership - Limited Partnership Units	105,000.00	105,000.00
01/01/2009 to 12/31/2009	1	Imperial Oil EAFE - Units	76,001,219.23	5,441,150.69
01/01/2009 to 12/31/2009	20	International Alpha Tilts Fund B - Units	62,378,279.70	3,700,583.93
01/01/2009 to 12/31/2009	4	International Alpha Tilts Hedged CAD Fund B - Units	6,136,029.21	693,191.90

**Notice of Exempt Financings**

01/15/2010	1	JPMorgan Asian Infrastructure & Related Resources Opportunity Fund Cayman, L.P. - Capital Commitment	25,717,500.00	1.00
01/29/2010	1	JPMorgan Asian Infrastructure & Related Resources Opportunity Fund Cayman, L.P. - Capital Commitment	15,975,000.00	1.00
02/04/2009 to 12/23/2009	134	KFA Balanced Pooled Fund - Units	4,245,922.00	N/A
01/22/2010	82	Kinetex Resources Corporation - Units	1,278,135.30	8,520,902.00
01/01/2009 to 12/31/2009	6	Magna Vista North American Equity Fund - Units	395,500.00	N/A
01/22/2010	62	McConachi Development Investment Corporation - Units	1,224,410.00	122,441.00
02/28/2009 to 11/30/2009	15	MMCAP Fund Inc. - Common Shares	5,165,316.86	N/A
01/01/2009 to 12/31/2009	83	Mortgage Investment Corporation of Eastern Ontario - Common Shares	7,475,352.00	747,535.20
01/01/2009 to 12/31/2009	1	MSCI Australia Equity Index Fund B - Units	91,500.93	1,090.70
01/01/2009 to 12/31/2009	1	MSCI Austria Equity Index Fund B - Units	144,814.48	4,367.15
01/01/2009 to 12/31/2009	1	MSCI Belgium Equity Index Fund B - Units	89,305.73	2,123.40
01/01/2009 to 12/31/2009	1	MSCI Denmark Equity Index Fund B - Units	232,358.06	1,882.25
01/01/2009 to 12/31/2009	3	MSCI Emerging Markets Free Fund B - Units	25,634,385.89	837,006.12
01/01/2009 to 12/31/2009	1	MSCI Finland Equity Index Fund B - Units	701,515.74	8,429.93
01/01/2009 to 12/31/2009	1	MSCI France Equity Index Fund B - Units	215,197.61	2,847.39
01/01/2009 to 12/31/2009	1	MSCI Germany Equity Index Fund B - Units	285,054.32	5,244.69
01/01/2009 to 12/31/2009	1	MSCI Greece Equity Index Fund B - Units	49,841.97	4,996.56
01/01/2009 to 12/31/2009	1	MSCI Hong Kong Equity Index Fund B - Units	176,469.84	932.79
01/01/2009 to 12/31/2009	1	MSCI Ireland Equity Index Fund B - Units	675,532.17	53,681.32
01/01/2009 to 12/31/2009	1	MSCI Italy Equity Index Fund B - Units	245,335.83	7,550.65
01/01/2009 to 12/31/2009	2	MSCI Japan Equity Index Fund B - Units	904,969.44	54,510.86
01/01/2009 to 12/31/2009	1	MSCI Netherlands Equity Index Fund B - Units	227,149.12	3,091.68
01/01/2009 to 12/31/2009	1	MSCI Norway Equity Index Fund B - Units	80,790.80	1,762.24

**Notice of Exempt Financings**

01/01/2009 to 12/31/2009	1	MSCI Portugal Equity Index Fund B - Units	154,466.10	10,913.08
01/01/2009 to 12/31/2009	1	MSCI Singapore Equity Index Fund B - Units	166,085.32	1,754.12
01/01/2009 to 12/31/2009	1	MSCI Spain Equity Index Fund B - Units	101,491.96	1,699.65
01/01/2009 to 12/31/2009	1	MSCI Sweden Equity Index Fund B - Units	140,523.35	1,143.72
01/01/2009 to 12/31/2009	1	MSCI Switzerland Equity Index Fund B - Units	315,478.20	3,625.90
01/01/2009 to 12/31/2009	1	MSCI United Kingdom Equity Index Fund B - Units	133,064.43	2,124.83
01/01/2009 to 12/31/2009	2	MSCI World Index Fund B - Units	116,356,094.66	8,746,525.92
01/21/2010	3	Newcastle Minerals Ltd. - Common Shares	24,750.00	275,000.00
01/31/2009 to 12/31/2009	40	Palos Capital Pool L.P. - Units	1,213,276.39	135,212.65
01/31/2009 to 12/31/2009	91	Palos Equity Income Fund - Units	1,695,438.59	249,871.16
01/31/2009 to 12/31/2009	55	Palos Income Fund L.P. - Units	5,673,192.00	673,714.76
01/31/2009 to 12/31/2009	60	Palos Rendez-Vous Fund - Units	3,096,112.21	642,954.36
01/01/2009 to 12/31/2009	443	Phillips, Hager & North Absolute Return Fund - Trust Units	86,987,546.52	7,400,224.63
01/01/2009 to 12/31/2009	1	Phillips, Hager & North Canadian Equity 120/20 Fund - Trust Units	4,388,882.80	438,753.42
01/01/2009 to 12/31/2009	80	Phillips, Hager & North High Grade Corporate Bond Fund - Trust Units	5,285,718.10	552,791.88
01/01/2009 to 12/31/2009	11	Phillips, Hager & North Institutional S.T.I.F. - Trust Units	21,610,970.09	2,161,097.01
01/01/2009 to 12/31/2009	2	Phillips, Hager & North Investment Grade Corporate Bond Trust - Trust Units	4,309,759.10	425,054.00
01/01/2009 to 12/31/2009	79	Phillips, Hager & North Long Bond Pension Trust - Trust Units	29,731,324.10	2,931,794.27
01/01/2009 to 12/31/2009	1	Phillips, Hager & North Long Corporate Bond Pension Trust - Trust Units	323,010.34	35,369.92
01/01/2009 to 12/31/2009	1	Phillips, Hager & North Long Mortgage Pension Trust - Trust Units	205,967.36	21,390.07
01/01/2009 to 12/31/2009	166	Phillips, Hager & North Mortgage Pension Trust - Trust Units	9,830,112.99	951,655.27
01/01/2009 to 12/31/2009	1	Phillips, Hager & North U.S. High Yield Corporate Bond Fund - Trust Units	3,047,107.77	304,707.40
01/31/2009 to 12/31/2009	128	Primevest Capital Corp. - Units	4,442,332.87	N/A

**Notice of Exempt Financings**

01/28/2010	14	Priviti Energy Limited Partnership 2009 - Limited Partnership Units	1,375,000.00	275.00
01/31/2009 to 12/31/2009	14	Rendez-Vous Global Equity Fund, Limited Partnership - Units	4,431,182.25	47,676.28
12/18/2009	96	Rockcliff Resources Inc. - Units	3,000,000.00	5,000,000.00
01/15/2009 to 12/15/2009	750	Romspen Mortgage Investment Fund - Units	62,397,650.00	6,239,765.00
01/01/2009 to 12/31/2009	2	Russell 1000 Alpha Tilts Fund B - Units	33,405,690.20	1,509,300.35
01/01/2009 to 12/31/2009	2	Russell 3000 Alpha Tilts Fund B - Units	17,576,237.73	809,170.27
01/26/2010	1	Ryerson Holdings Corporation - Notes	3,868,899.10	0.00
01/02/2009 to 12/31/2009	5	Sanford C. Bernstein Canadian Value Equity Fund - Units	15,733,900.48	665,137.04
01/05/2009 to 12/31/2009	11	Sanford C. Bernstein Core Plus Bond Fund - Units	17,088,433.09	569,357.98
01/02/2009 to 12/31/2009	19	Sanford C. Bernstein Global Blend Equity Fund - Units	86,093,098.48	5,008,658.81
01/02/2009 to 12/31/2009	14	Sanford C. Bernstein Global Equity Fund (Tax Exempt) - Units	50,135,834.64	3,044,482.06
03/17/2009 to 07/31/2009	2	Sanford C. Bernstein Global Strategic Value Fund - Units	15,633,324.14	1,423,042.16
01/02/2009 to 12/31/2009	23	Sanford C. Bernstein International Equity Fund (Cap-Weighted, Unhedged) Fund - Units	133,723,554.85	7,137,767.05
01/15/2009 to 12/11/2009	3	Sanford C. Bernstein U.S. Diversified Value Equity Fund (Tax Exempt) - Units	3,776,894.04	250,014.14
01/22/2010	4	SCHREP IV Loan Fund, L.P. - Limited Partnership Interest	21,333,800.00	N/A
01/11/2010	1	Seahold Investments Inc. - Notes	50,000.00	1.00
12/22/2009	30	Starfield Resources Inc. - Flow-Through Shares	2,374,651.87	22,615,732.00
01/01/2009 to 12/31/2009	2	State Street Institutional US Government Money Market Fund - Membership Interests	33,588,561.15	N/A
01/01/2009 to 12/31/2009	13	Sterling Diversified Fund - Limited Partnership Units	2,460,395.00	N/A
01/01/2009 to 12/31/2009	144	Sterling Diversified Trust - Limited Partnership Units	342,010.37	N/A
01/01/2009 to 12/31/2009	11	Sterling Growth Fund - Limited Partnership Units	1,759,315.00	N/A
01/01/2009 to 12/31/2009	150	Sterling Growth Trust - Limited Partnership Units	379,517.37	N/A
12/31/2009	28	Sunshine Oilsands Ltd. - Flow-Through Shares	2,000,598.00	333,433.00
01/01/2009 to 12/31/2009	3	S&P GSCI Commodities Fund B - Units	38,224,528.97	5,199,186.52
01/01/2009 to 12/31/2009	1	TD Emerald 130/30 Enhanced Canadian Equity Pooled Fund Trust - Units	1,000,000.00	146,165.00

**Notice of Exempt Financings**

01/01/2009 to 12/31/2009	6	TD Emerald 20+ Strip Bond Pooled Fund Trust - Units	16,976,331.00	1,820,035.00
01/01/2009 to 12/31/2009	2	TD Emerald Active Canadian Bond Pooled Fund Trust - Units	52,074.00	5,139.00
01/01/2009 to 12/31/2009	31	TD Emerald Canadian Bond Pooled Fund Trust - Units	232,625,273.00	22,050,818.00
01/01/2009 to 12/31/2009	1	TD Emerald Canadian Equity Market Neutral Fund - Units	21,759,226.00	2,212,159.00
01/01/2009 to 12/31/2009	15	TD Emerald Canadian Equity Market Pooled Fund Trust II - Units	34,060,173.00	4,368,798.00
01/01/2009 to 12/31/2009	11	TD Emerald Canadian Long Bond Broad Market Pooled Fund Trust - Units	264,826,372.00	26,541,792.00
01/01/2009 to 12/31/2009	31	TD Emerald Canadian Long Bond Pooled Fund Trust - Units	132,142,738.00	12,284,726.00
01/01/2009 to 12/31/2009	6	TD Emerald Canadian Market Capped Pooled Fund Trust - Units	16,407,859.00	13,755,685.00
01/01/2009 to 12/31/2009	12	TD Emerald Canadian Real Return Bond Pooled Fund Trust - Units	314,510,120.00	24,729,670.00
01/01/2009 to 12/31/2009	2	TD Emerald Core Plus Bond Pooled Fund Trust - Units	5,173,224.00	491,922.00
01/01/2009 to 12/31/2009	3	TD Emerald Enhanced Canadian Equity Pooled Fund Trust - Units	26,496,295.00	3,180,833.00
01/01/2009 to 12/31/2009	2	TD Emerald Enhanced US Equity Pooled Fund Trust - Units	13,947,800.00	1,475,765.00
01/01/2009 to 12/31/2009	14	TD Emerald Global Equity Pooled Fund Trust - Units	68,529,511.00	11,434,475.00
01/01/2009 to 12/31/2009	5	TD Emerald Hedge Synthetic International Pooled Fund Trust - Units	4,414,942.00	565,696.00
01/01/2009 to 12/31/2009	7	TD Emerald Hedged Synthetic US Pooled Fund Trust - Units	82,332,810.00	15,363,144.00
01/01/2009 to 12/31/2009	2	TD Emerald Hedged US Equity Pooled Fund Trust - Units	10,848,147.00	2,157,130.00
01/01/2009 to 12/31/2009	9	TD Emerald Hedged US Equity Pooled Fund Trust - Units	32,305,975.00	5,061,989.00
01/01/2009 to 12/31/2009	1	TD Emerald Multi-Strategy Absolute Return Fund - Units	25,734.00	2,574.00
01/01/2009 to 12/31/2009	1	TD Emerald Multi-Strategy Canadian Bond Fund - Units	117,231.00	11,448.00
01/01/2009 to 12/31/2009	1	TD Emerald Multi-Strategy Canadian Bond Fund - Units	117,231.00	11,448.00
01/01/2009 to 12/31/2009	7	TD Emerald North American Equity Pairs Fund - Units	21,934,390.00	2,248,187.00
01/01/2009 to 12/31/2009	36	TD Emerald Pooled U.S. Fund - Units	136,646,148.00	9,107,025.00
01/01/2009 to 12/31/2009	3	TD Lancaster Balanced Fund II - Units	1,634,619.00	207,846.00



**Notice of Exempt Financings**

01/01/2009 to 12/31/2009	2	TD Lancaster Canadian Equity Fund - Units	759,917.00	122,532.00
01/01/2009 to 12/31/2009	17	TD Lancaster Fixed Income Fund II - Units	414,511,106.00	31,113,279.00
01/25/2010	4	TerraX Minerals Inc. - Common Shares	14,750.00	50,000.00
01/21/2010	1	The Toronto-Dominion Bank - Notes	20,000.00	2,000.00
01/21/2010	14	The Toronto-Dominion Bank - Notes	1,200,000.00	12,000.00
12/23/2009	90	Titan Medical Inc. - Units	2,328,800.00	N/A
01/27/2010	1	United Company RUSAL Limited - Common Shares	16,270,292.45	1,610,292,840.00
01/01/2009 to 12/31/2009	1	US Debt Index Fund - Units	2,260,624.39	39,876.89
09/10/2009 to 12/14/2009	10	Vision Opportunity Fund Limited Partnership II - Limited Partnership Units	3,650,000.00	N/A
03/26/2009 to 09/08/2009	163	Vision Opportunity Fund Trust - Trust Units	521,800.00	N/A
01/22/2010	20	Walton AZ Verona Investment Corporation - Common Shares	443,070.00	44,307.00
01/22/2010	2	Walton AZ Verona Limited Partnership - Limited Partnership Units	469,385.28	44,576.00
01/22/2010	40	Walton TX Austin Land Investment Corporation - Common Shares	780,780.00	78,078.00
01/01/2009 to 12/31/2009	4	Webb Asset Management Canadian Performance Fund - Units	71,976.24	N/A
12/18/2009	44	Wildcat Exploration Ltd. - Flow-Through Shares	675,000.00	3,000,000.00
01/19/2010	43	Zapata Energy Corporation - Units	2,545,800.00	848,600.00

## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Amica Mature Lifestyles Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 4, 2010  
NP 11-202 Receipt dated February 4, 2010

**Offering Price and Description:**

\$15,000,750 - 2,655,000 Common Shares - Price: \$5.65  
per Shares

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
Canaccord Financial Ltd.

**Promoter(s):**

-

**Project #1531109**

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**Issuer Name:**

Aston Hill Energy 2010 FT LP  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Long Form Prospectus dated February 4, 2010  
NP 11-202 Receipt dated February 4, 2010

**Offering Price and Description:**

\$25,000,000 (Maximum) -1,000,000 Limited Partnership  
Units - \$10,000,000 (Minimum) -400,000 Limited  
Partnership Units - Subscription Price: \$25.00 Minimum  
Purchase: \$5,000 (200 Units)

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
HSBC Securities (Canada) Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
Raymond James Ltd.  
Canaccord Financial Ltd.  
Dundee Securities Corporation  
Macquarie Capital Markets Canada Ltd.  
Wellington West Capital Markets Inc.

**Promoter(s):**

Aston Hill Energy 2010 GP Inc.  
Aston Hill Financial Inc.

**Project #1531241**

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**Issuer Name:**

B2Gold Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 3, 2010  
NP 11-202 Receipt dated February 3, 2010

**Offering Price and Description:**

\$25,000,000 - 20,000,000 Common Shares - Price: \$1.25  
per Common Share

**Underwriter(s) or Distributor(s):**

Genuity Capital Markets  
Macquarie Capital Markets Canada Ltd.  
Haywood Securities Inc.  
Canaccord Financial Ltd.  
Raymond James Ltd.

**Promoter(s):**

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**Project #1530820**

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**Issuer Name:**

CYGAM Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated February 4, 2010  
NP 11-202 Receipt dated February 4, 2010

**Offering Price and Description:**

Up to \$15,000,000 - Up to \* Units - Each Unit consisting of  
one Common Share and one-half of one Warrant - Price: \$\*  
per Unit

**Underwriter(s) or Distributor(s):**

Octagon Capital Corporation  
Byron Securities Ltd.  
Thomas Weisel Partners Canada Inc.

**Promoter(s):**

-

**Project #1531181**

**Issuer Name:**

DeeThree Exploration Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated February 9, 2010  
NP 11-202 Receipt dated February 9, 2010

**Offering Price and Description:**

\$7,200,000 - 3,000,000 Common Shares - Price: \$2.40 per Common Share

\$3,010,000 - 1,075,000 Flow-Through Shares - Price:

\$2.80 per Flow-Through Share

**Underwriter(s) or Distributor(s):**

Dundee Securities Corporation

Clarus Securities Inc.

D & D Securities Company

**Promoter(s):**

-

**Project #1532307**

**Issuer Name:**

Desjardins American Equity Growth Fund  
Desjardins American Equity Value Fund  
Desjardins Canadian Balanced Fund  
Desjardins Canadian Equity Fund  
Desjardins Canadian Small Cap Equity Fund  
Desjardins Capital Yield Bond Fund  
Desjardins Dividend Growth Fund  
Desjardins Dividend Income Fund  
Desjardins Global All Cap Equity Fund  
Desjardins Global Small Cap Equity Fund  
Desjardins Money Market Fund  
Desjardins Overseas Equity Growth Fund  
Desjardins Overseas Equity Value Fund  
Desjardins Québec Balanced Fund  
Desjardins Short-Term Income Fund  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Simplified Prospectuses dated February 4, 2010

NP 11-202 Receipt dated February 8, 2010

**Offering Price and Description:**

A-Class and I-Class Units

**Underwriter(s) or Distributor(s):**

**Promoter(s):**

-

**Project #1531431**

**Issuer Name:**

First Asset Pipes & Power Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated February 3, 2010  
NP 11-202 Receipt dated February 4, 2010

**Offering Price and Description:**

Warrants to Subscribe for up to \* Units at a Subscription Price of \$ \* - Price: \$\* per Unit

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

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**Project #1530931**

**Issuer Name:**

Fortuna Silver Mines Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 9, 2010  
NP 11-202 Receipt dated February 9, 2010

**Offering Price and Description:**

\$30,015,000 - 13,050,000 Common Shares - Price: \$2.30 per Common Share

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.

Canaccord Financial Ltd.

BMO Nesbitt Burns Inc.

**Promoter(s):**

-

**Project #1532309**

**Issuer Name:**

Gleichen Resources Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated February 8, 2010  
NP 11-202 Receipt dated February 8, 2010

**Offering Price and Description:**

50,000,000 - 50,000,000 Common Shares - Price: \$1.00 per Common Share

**Underwriter(s) or Distributor(s):**

Macquarie Capital Markets Canada Ltd.

BMO Nesbitt Burns Inc.

GMP Securities L.P.

Dundee Securities Corporation

Jones, Gable & Company Limited

**Promoter(s):**

-

**Project #1531842**

**Issuer Name:**

Lime Hill Capital Corporation  
Principal Regulator - Alberta

**Type and Date:**

Preliminary CPC Prospectus dated January 29, 2010  
NP 11-202 Receipt dated February 3, 2010

**Offering Price and Description:**

Minimum Offering: \$500,000 (5,000,000 Common Shares)  
- Maximum Offering: \$900,000 (9,000,000 Common shares) - Price: \$0.10 per common share

**Underwriter(s) or Distributor(s):**

Mackie Research Capital Corporation

**Promoter(s):**

Michael L. Rousseau  
S. Raymond Ludwig

**Project #1530664**

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**Issuer Name:**

MagIndustries Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated February 8, 2010  
NP 11-202 Receipt dated February 9, 2010

**Offering Price and Description:**

\$ \* - \* Common Shares - Price: \$ \* per Common Share

**Underwriter(s) or Distributor(s):**

Cormark Securities Inc.

**Promoter(s):**

-

**Project #1531915**

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**Issuer Name:**

Mercari Acquisition Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary CPC Prospectus dated February 3, 2010  
NP 11-202 Receipt dated February 3, 2010

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

Macquarie Private Wealth Inc.

**Promoter(s):**

Lee Alexander Petigrew

**Project #1530729**

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**Issuer Name:**

Monterey Exploration Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated February 5, 2010  
NP 11-202 Receipt dated February 5, 2010

**Offering Price and Description:**

\$20,000,400 - 4,762,000 Common Shares - Price: \$4.20 per Common Share

**Underwriter(s) or Distributor(s):**

Cormark Securities Inc.  
Wellington West Capital Markets Inc.  
Acumen Capital Finance Partners Limited  
GMP Securities L.P.

**Promoter(s):**

-

**Project #1531464**

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**Issuer Name:**

MOSAID Technologies Incorporated  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated February 8, 2010  
NP 11-202 Receipt dated February 8, 2010

**Offering Price and Description:**

\$27,062,500 - 1,250,000 Common Shares - Price: \$21.65 per Common Share

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Cormark Securities Inc.  
Northern Securities Inc.

**Promoter(s):**

-

**Project #1531869**

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**Issuer Name:**

NxT Short Term Income Fund  
Principal Regulator - Manitoba

**Type and Date:**

Preliminary Simplified Prospectus dated February 9, 2010  
NP 11-202 Receipt dated February 9, 2010

**Offering Price and Description:**

Class A, F and I Units

**Underwriter(s) or Distributor(s):**

**Promoter(s):**

WELLINGTON WEST ASSET MANAGEMENT INC.  
**Project #1532141**

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**Issuer Name:**

Pinnacle Mines Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 5, 2010  
NP 11-202 Receipt dated February 9, 2010

**Offering Price and Description:**

\$4,578,807 -Offering of 91,576,134 Rights to Subscribe for  
up to 91,576,134 Common Shares - Price:\$0.05 per  
Common Share

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

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**Project #1531661**

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**Issuer Name:**

Scott's Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated February 9, 2010  
NP 11-202 Receipt dated February 9, 2010

**Offering Price and Description:**

\$18,122,405 - 2,384,527 Units - Price: \$7.60 per Unit

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
Dundee Securities Corporation  
CIBC World Markets Inc.  
Desjardins Securities Inc.  
Canaccord Financial Ltd.  
Genuity Capital Markets

**Promoter(s):**

-

**Project #1532174**

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**Issuer Name:**

Silver Standard Resources Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Amended and Restated Short Form Base Shelf Prospectus  
dated February 4, 2010amending and restating the Short  
Form Base Shelf Prospectus dated February 18, 2009.  
NP 11-202 Receipt dated February 9, 2010

**Offering Price and Description:**

US\$350,000,000 Common Shares - Price: \$\* per Common  
Share

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1373651**

**Issuer Name:**

Stornoway Diamond Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Amended and Restated dated February 3, 2010 to  
Preliminary Short Form Prospectus dated February 2, 2010  
NP 11-202 Receipt dated February 4, 2010

**Offering Price and Description:**

\$11,500,000 - 23,000,000 Offered Shares - Price: \$0.50  
per Offered Share

**Underwriter(s) or Distributor(s):**

Canaccord Financial Ltd.  
Cormark Securities Inc.  
Desjardins Securities Inc.  
Haywood Securities Inc.  
BMO Nesbitt Burns Inc.  
Paradigm Capital Inc.  
Raymond James Ltd.

**Promoter(s):**

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**Project #1530228**

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**Issuer Name:**

Triton Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated February 3, 2010  
NP 11-202 Receipt dated February 3, 2010

**Offering Price and Description:**

\$25,000,8000 - 104,170,000 Common Shares - Price \$0.24  
per Common Share

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
FirstEnergy Capital Corp.  
Macquarie Capital Markets Canada Ltd.  
Desjardins Securities Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #1530809**

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**Issuer Name:**

WesternOne Equity Income Fund  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 5, 2010  
NP 11-202 Receipt dated February 5, 2010

**Offering Price and Description:**

\$24,000,000 -24,000 Debentures - Price: \$1,000.00 per  
Debenture

**Underwriter(s) or Distributor(s):**

Dundee Securities Corporation  
National Bank Financial Inc.  
Canaccord Financial Ltd.  
Raymond James Ltd.  
HSBC Securities (Canada) Inc.

**Promoter(s):**

-

**Project #1531535**

**Issuer Name:**

Xcite Energy Limited  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated February 5, 2010  
NP 11-202 Receipt dated February 5, 2010

**Offering Price and Description:**

C\$ \* - \* Ordinary Shares - Price:\$ \* Per Ordinary Share

**Underwriter(s) or Distributor(s):**

Octagon Capital Corporation  
CIBC World Markets Inc.

**Promoter(s):**

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**Project #**1531482

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**Issuer Name:**

Ark Aston Hill Energy Class  
Ark Aston Hill Monthly Income Class  
Trapeze Value Class (formerly Ark Aston Hill Opportunities Class)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated January 21, 2010  
NP 11-202 Receipt dated February 3, 2010

**Offering Price and Description:**

Series A, F and I Shares

**Underwriter(s) or Distributor(s):**

Redwood Asset Management Inc.

**Promoter(s):**

Redwood Asset Management Inc.

**Project #**1515673

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**Issuer Name:**

U.S. Large Company Equity Fund  
U.S. Small Company Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 22, 2010 to Simplified Prospectuses and Annual Information Form dated June 30, 2009  
NP 11-202 Receipt dated February 3, 2010

**Offering Price and Description:**

Class O(H) Units, Class I(H) Units, Class P(H) Units, Class F(H) Units and Class R(H) Units at Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #**1427627

**Issuer Name:**

Brickburn Income Growth Class  
Principal Regulator - Alberta

**Type and Date:**

Amendment #1 dated January 29, 2010 to Simplified Prospectuses and Annual Information Form dated April 23, 2009  
NP 11-202 Receipt dated February 8, 2010

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

Brickburn Asset Management Inc.

**Project #**1389821

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**Issuer Name:**

Business Cycle Growth Fund  
Business Cycle Income Fund  
Principal Regulator - Nova Scotia

**Type and Date:**

Final Simplified Prospectuses dated February 5, 2010

NP 11-202 Receipt dated February 8, 2010

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Dundee Private Investments

National Bank Financial

**Promoter(s):**

-

**Project #**1520774

**Issuer Name:**

Counsel All Equity Portfolio  
Counsel Balanced Portfolio  
Counsel Canadian Dividend  
Counsel Canadian Growth  
Counsel Canadian Value  
Counsel Conservative Portfolio  
Counsel Fixed Income  
Counsel Global Real Estate  
Counsel Global Small Cap  
Counsel Growth Portfolio  
Counsel Income Managed Portfolio  
Counsel International Growth  
Counsel International Value  
Counsel Managed Portfolio  
Counsel Money Market  
Counsel Regular Pay Portfolio  
Counsel Select America  
Counsel Select Canada  
Counsel Select International  
Counsel U.S. Growth  
Counsel U.S. Value  
Counsel World Managed Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated February 3, 2010 to Final Simplified Prospectuses and Annual Information Form dated October 22, 2009

NP 11-202 Receipt dated February 9, 2010

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

**Promoter(s):**

Counsel Portfolio Services Inc.

**Project #1474788**

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**Issuer Name:**

Horizons Advantaged Equity Fund Inc.

**Type and Date:**

Final Long Form Prospectus dated January 26, 2010  
Receipted on February 3, 2010

**Offering Price and Description:**

Class A Shares, Series III at Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1517774**

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**Issuer Name:**

HORIZONS ALPHAPRO S&P/TSX 60 130/30 ETF  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated February 3, 2010  
NP 11-202 Receipt dated February 5, 2010

**Offering Price and Description:**

Class E Units at Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

AlphaPro Management Inc.

**Project #1516488**

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**Issuer Name:**

Mirabela Nickel Limited  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated February 4, 2010  
NP 11-202 Receipt dated February 4, 2010

**Offering Price and Description:**

\$12,265,000.00 - Up to 6,050,000 Ordinary Shares  
Issuable on Conversion of 5,500,000 Special Warrants

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.

Dundee Securities Corporation

**Promoter(s):**

-

**Project #1525002**

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**Issuer Name:**

Pacific Orient Capital Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated January 29, 2010  
NP 11-202 Receipt dated February 5, 2010

**Offering Price and Description:**

\$200,000.00 - 1,000,000 Common Shares - Price: \$0.20  
per Common Share

**Underwriter(s) or Distributor(s):**

Research Capital Corporation

**Promoter(s):**

Francis Mak

**Project #1518451**

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**Issuer Name:**

Second Wave Petroleum Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated February 5, 2010  
NP 11-202 Receipt dated February 5, 2010

**Offering Price and Description:**

\$10,000,000.00 - 5,000,000 Common Shares - Price: \$2.00  
per Offered Share

**Underwriter(s) or Distributor(s):**

Wellington West Capital Markets Inc.  
Acument Capital Finance Partners Limited  
GMP Securities L.P.  
CIBC World Markets Inc.

**Promoter(s):**

-

**Project #1529276**

**Issuer Name:**

DiagnoCure Inc.  
Principal Jurisdiction - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated June 25, 2009  
Closed on February 4, 2010

**Offering Price and Description:**

\$ \* - \* Common Shares - Price: \$ \* per Common Share

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
Bloom Burton & Co.  
Desjardins Securities Inc.

**Promoter(s):**

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**Project #1440851**

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**Issuer Name:**

U.S. High Yield Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 22, 2010 to Final Simplified  
Prospectus and Annual Information Form dated August 10,  
2009

NP 11-202 Receipt dated February 3, 2010

**Offering Price and Description:**

Class O(H) Units, Class F(H) Units, Class I(H) Units, Class  
P(H) Units and Class R(H) Units at Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

SEI Investments Canada Company

**Project #1434221**

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**Issuer Name:**

Whiterock Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated February 5, 2010  
NP 11-202 Receipt dated February 5, 2010

**Offering Price and Description:**

\$45,074,250.00 - 3,015,000 Units - Price: \$14.95 per Unit

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
CIBC World Markets Inc.  
Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
Canaccord Financial Ltd.  
National Bank Financial Inc.  
Dundee Securities Corporation

**Promoter(s):**

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**Project #1528143**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Castor Asset Management Ltd.	Exempt Market Dealer Portfolio Manager Investment Fund Manager	February 3, 2010
New Registration	J. Priest Investment Management Inc.	Portfolio Manager	February 4, 2010
Voluntary Surrender of Registration	Batterymarch Financial Management, Inc.	International Adviser (Portfolio Manager)	February 4, 2010
Voluntary Surrender of Registration	Skypoint Capital Corporation	Exempt Market Dealer	February 3, 2010
Voluntary Surrender of Registration	Avanti Securities Corporation	Exempt Market Dealer	February 4, 2010
Amalgamation	From: BlackRock (Institutional) Canada Ltd. and BlackRock Asset Management Canada Limited/Gestion D'Actifs BlackRock Canada Limitée  To: BlackRock Asset Management Canada Limited/Gestion D'Actifs BlackRock Canada Limitée	Exempt Market Dealer, Portfolio Manager and Commodity Trading Manager	February 1, 2010
Consent to Suspension	Mirvish Theatrical Investment Group Inc.	Exempt Market Dealer	February 8, 2010
Voluntary Surrender of registration	Investeco Capital Corp.	Exempt Market Dealer	February 9, 2010
New Registration	Greenwich Prime Trading Group, LLC	Exempt Market Dealer	February 9, 2010

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## Chapter 25

### Other Information

#### 25.1 Consents

##### 25.1.1 Chairman Capital Corp. – 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 Jersey, Channel Islands.

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

**AND**

**IN THE MATTER OF  
CHAIRMAN CAPITAL CORP.**

**CONSENT  
(Subsection 4(b) of the Regulation)**

**UPON** the application of Chairman Capital Corp. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting the consent (the "**Request**") of the Commission to continue in another jurisdiction (the "**Continuance**"), as required by subsection 4(b) of the Regulation. At the time of the continuance, the Applicant will have changed its name to and will be operating as "Longreach Oil and Gas Limited";

**AND UPON** considering the Request 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 *Business Corporations Act* (Ontario) by certificate of incorporation issued on May 31, 2006.

2. The Applicant's corporate name will be changed to Longreach Oil and Gas Limited. The corporate name change was approved by the Applicant's shareholders (the "**Shareholders**") by way of special resolution at a special meeting of shareholders (the "**Meeting**") held on January 22, 2010.
3. The Applicant's head office is located at 66 Wellington Street West, Suite 4200, Toronto, Ontario, M5K 1N6. Following completion of the proposed Continuance, the registered office of Longreach Oil and Gas Limited will be located at 66 Wellington Street West, Suite 4200, Toronto, Ontario, M5K 1N6 .
4. The authorized capital shall be an unlimited number of common shares, of which 1,666,667 common shares were issued and outstanding as at December 22, 2009.
5. The Applicant's issued and outstanding common shares are listed for trading on the TSX Venture Exchange, trading under the symbol CMN.P.
6. The Corporation proposes to make an application to the Director under the OBCA pursuant to Section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue as a corporation under the Companies (Jersey) Law (1991) (the "**Jersey Law**"). As a result of the Meeting dated January 22, 2010, wherein the Shareholders approved the Applicant's corporate name change to "Longreach Oil and Gas Limited", the Applicant proposes to make the application for authorization to continue as Longreach Oil and Gas Limited. Upon completion of the name change and the consent to continue, Longreach Oil and Gas Limited will continue into Jersey, Channel Islands.
7. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent of the Commission.
8. The Applicant is an offering corporation under the provisions of the OBCA.
9. The Applicant is a reporting issuer within the meaning of the *Securities Act* (Ontario), R.S.O. 1990, c. S.5, as amended (the "**OSA**"), within the meaning of the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the "**ASA**"), within the meaning of the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418 (the "**BCSA**") and within the meaning

of the *Securities Act* (New Brunswick), S.N.B. 2004, c. S-5.5 (the "**NBSA**"). Longreach Limited will remain a reporting issuer under the OSA, ASA, BCSA and NBSA following the Continuance.

10. The Applicant is not in default of any of the provisions of the OSA or the regulations or rules made thereunder and is not in default under the ASA, BCSA and NBSA.
11. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the OSA or the ASA, BCSA and NBSA.
12. The Continuance of Longreach Limited was approved by the Shareholders at the Meeting held on January 22, 2010 by way of special resolution (48% of the issued shares being voted and the special resolution being passed by 97.886% affirmative votes voted at the meeting).
13. The management information circular of the Applicant describing the Continuance, dated December 22, 2009, (the "**Information Circular**"), provided to the Shareholders in connection with the Meeting, advised them of the material differences between the provisions of the OBCA and Jersey law and of their dissent rights in connection with the Continuance pursuant to section 185 of the OBCA.
14. The Continuance under the Jersey Law has been proposed for the Applicant as the Applicant has entered into a letter of intent dated November 11, 2009 (the "**Letter of Intent**") with Longreach Oil and Gas Ventures Limited (the "**Target**"), a corporation existing and operating under Jersey Law. Pursuant to the Letter of Intent, the Applicant would acquire all the issued and outstanding shares of the Target (the "**Proposed Transaction**").
15. The Proposed Transaction is intended to constitute the Qualifying Transaction of the Applicant pursuant to Policy 2.4 of the TSX Venture Exchange (the "**Qualifying Transaction**"). Following the completion of the Qualifying Transaction, the Applicant will not carry on business in Canada, own any assets or have its executive mind or management in Canada.
16. The Board of Directors of the Applicant have determined that in order to effect the Qualifying Transaction it is desirable and in the best interests of the corporation and its shareholders for Longreach Oil and Gas Limited to continue its corporate existence under the Jersey Law, and that the continuation will not materially adversely affect the rights of the Applicant's Shareholders or the conduct of the business and affairs of the Applicant.

**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 Longreach Oil and Gas Limited as a corporation under Jersey Law.

**DATED** at Toronto on this 9th day of February, 2010.

"Carol Perry"  
Commissioner  
Ontario Securities Commission

"James Turner"  
Commissioner  
Ontario Securities Commission

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